



18<sup>th</sup> July, 2016

The General Manager  
Corporate Relations Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001  
Scrip Code: 500770

National Stock Exchange of India Ltd.  
Exchange Plaza  
Bandra-Kurla Complex  
Bandra (E)  
Mumbai 400 051  
Symbol: TATACHEM

Dear Sir,

**Sub: Annual Report for the Financial Year 2015-16**

Please find attached the Annual Report of the Company for the Financial Year 2015-16.

The entire Annual Report is also available on the following link:

[http://www.tatachemicals.com/investors/downloads/annual\\_reports/tata-chemicals\\_AR\\_15\\_16.pdf](http://www.tatachemicals.com/investors/downloads/annual_reports/tata-chemicals_AR_15_16.pdf)

Please take the same on record.

Thanking you,

**Yours faithfully,  
For Tata Chemicals Limited**

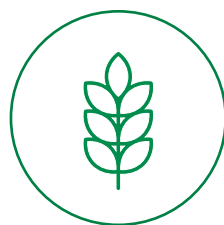
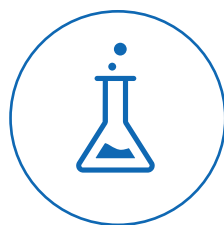
  
**(Rajiv Chandan)  
General Counsel & Company Secretary**

Encl.: as above

**TATA CHEMICALS LIMITED**

Bombay House 24 Homi Mody Street Fort Mumbai 400 001  
Tel 91 22 6665 8282 Fax 91 22 6665 8143/44 www.tatachemicals.com  
CIN : L24239MH1939PLC002893

# BRINGING SMILES TO



77th Annual Report  
2015 - 16



## Contents

### CORPORATE OVERVIEW

Bringing Smiles to Life	01
Introduction to Tata Chemicals	02
Geographical Presence	03
Key Financial Highlights	04
Governance	06
Customer at Heart	08
Living Essentials	10
Industry Essentials	16
Farm Essentials	22
People	28
Sustainability	30
Innovation	32
Results at a Glance	33

### STATUTORY REPORTS

Board's Report	34
Management Discussion and Analysis	72
Corporate Governance Report	94

### FINANCIAL STATEMENTS

#### Standalone Financial Statements

Independent Auditors' Report	110
Balance Sheet	116
Statement of Profit and Loss	117
Cash Flow Statement	118
Notes forming part of the Financial Statements	120

#### Consolidated Financial Statements

Independent Auditors' Report	152
Consolidated Balance Sheet	156
Consolidated Statement of Profit and Loss	157
Consolidated Cash Flow Statement	158
Notes forming part of the Consolidated Financial Statements	160
Form AOC – 1 (Financial Information of Subsidiary Companies)	199

Business Responsibility Report – Summary	201
Notice	202
Financial Statistics	211
Attendance Slip / Proxy Form	215



A photograph of a woman with dark hair, wearing a green patterned top, smiling as she feeds a young girl with a spoon. The girl is also smiling and eating spaghetti. They are seated at a dining table with plates of spaghetti and a glass of orange juice. In the background, there is a kitchen counter with various items and a window with blinds.

# BRINGING SMILES TO LIFE

India's first national brand of packaged iron fortified iodised salt. Through the Tata Sampann brand, the Company aims to provide everyday nourishing foods for a healthy living. The brand houses High Protein Unpolished pulses range, Low oil-absorb besan made from 100% chana dal and the uniquely developed range of spices for today's homemakers who are looking at providing wholesome food to their family without compromising on taste.

Tata Swach water purifiers are an innovative solution for water purification to masses.

In line with its focus on health and nutrition, the Company has developed a range of nutritional products under the brand Sustentials to provide innovative wellness food solutions. The products manufactured under this brand include Fossence™ (fructo-oligosaccharides), Gossence™ (galacto-oligosaccharides) and other polyols and oligosaccharides.

The Industry Essentials products are vital inputs to diverse industries. These include glass, detergents, sodium silicate, textiles, food, feed, mining and chemical processing. The Company endeavours to add value to life by making everyday products better and smarter.

The Farm Essentials offers multiple farm inputs that are required to improve crop health and productivity. These include fertilisers, pesticides, specialty nutrients, seeds and agro-services. The Company is also a key player in the segment of specialty fertilisers and customised fertilisers that provide balanced crop nutrition to the soil. Tata Kisan Sansar (TKS) and Rallis Kisan Kutumb (RKK) is a network that offers services which enable farmers in creating and generating farm produce by offering information on new and improved agronomic practices and facilitating use of agricultural inputs.

With initiatives that nurture relationships, Tata Chemicals is working to bring smiles to LIFE!

With the customer at heart, Tata Chemicals (TCL) is leveraging the passion and excellence of its people to develop a deeper understanding of its customer's needs, while providing pioneering and innovative products that deliver smiles to all its customers.

At Tata Chemicals, we work to harness the fruits of science for goals that go beyond business. This is encapsulated in our vision of 'Serving Society Through Science'. A part of this vision is to provide sustainable and innovative products that support and enrich life and brings smiles to millions. These include not just our customers and consumers but a wide gamut of stakeholders we serve – ranging from communities and society, to employees and shareholders.

TCL works on the Tata Group's ethos of 'Customer Promise' through its 3Ds of 'Develop, Deliver and Delight'.

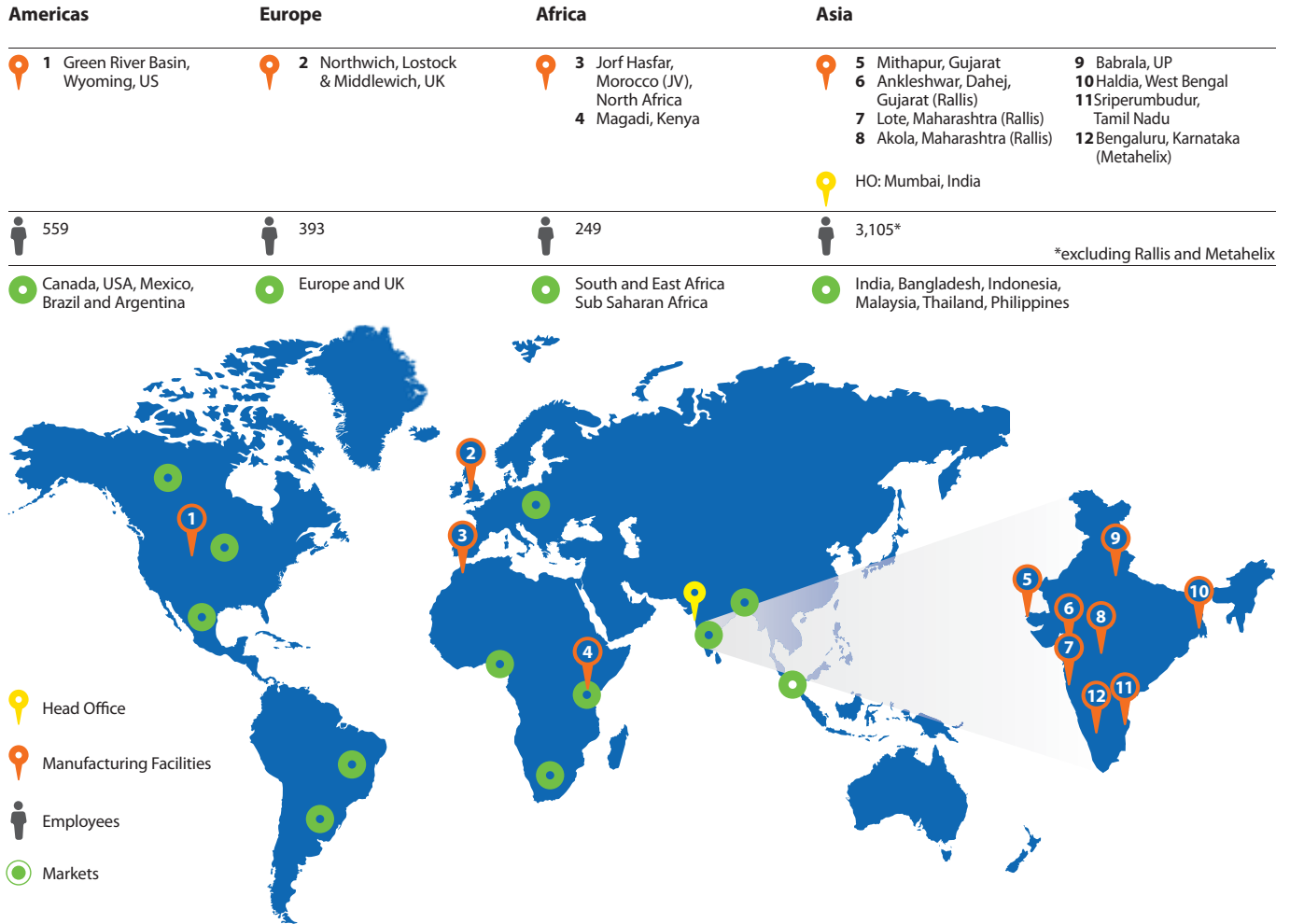
Our Living Essentials products positively touch the lives of millions. We are the pioneers in the branded Iodised salt segment and also launched

# INTRODUCTION TO TATA CHEMICALS

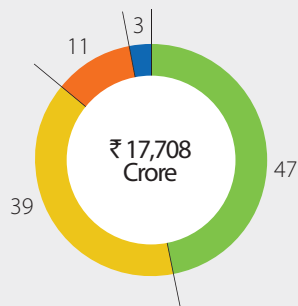
Part of the over \$100 billion Tata Group, Tata Chemicals Ltd. serves customers across five continents, with sustainability and innovation at the core of its business. TCL today is the world’s second largest producer of soda ash, reaches over 650 million consumers through its Tata Salt brand and touches 85 percent of India’s arable land through its agri business, together with its subsidiaries Rallis India and Metahelix Life Sciences.



# Geographical Presence

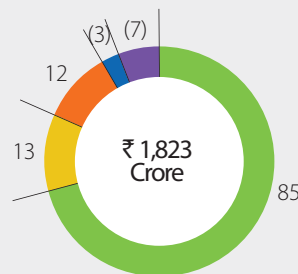


Segmental Revenue (Consolidated) (%)



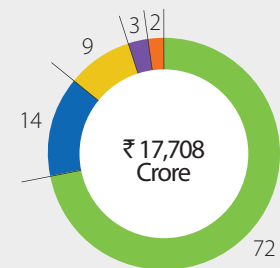
■ Inorganic chemicals  
■ Other agri inputs  
■ Fertilisers  
■ Others  
■ Unallocated (0.01)

Segmental Results (PBIT) (Consolidated) (%)



■ Inorganic chemicals  
■ Other agri inputs  
■ Fertilisers  
■ Others  
■ Unallocated

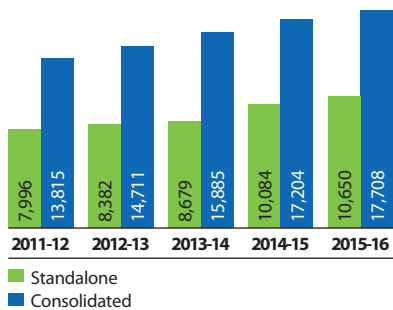
Geographical Revenue (Consolidated) (%)



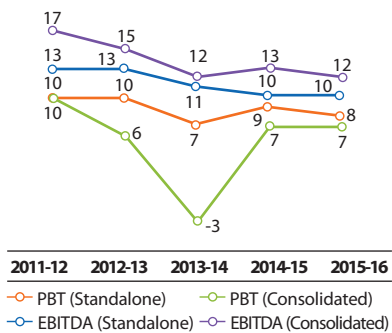
■ Asia  
■ America  
■ Europe  
■ Africa  
■ Others

# KEY FINANCIAL HIGHLIGHTS

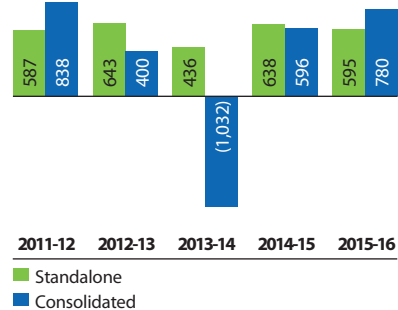
Net Revenue (₹ in Crore)



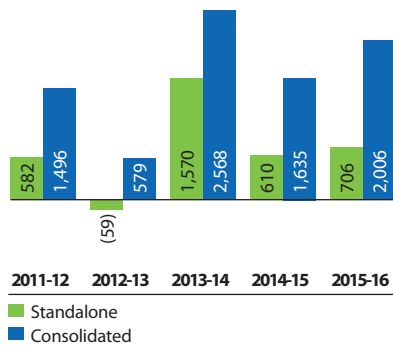
EBITDA\* and PBT\* (% of Sales)



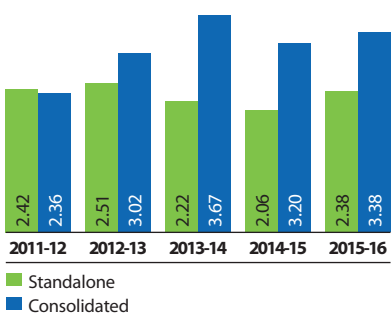
PAT (₹ in Crore)



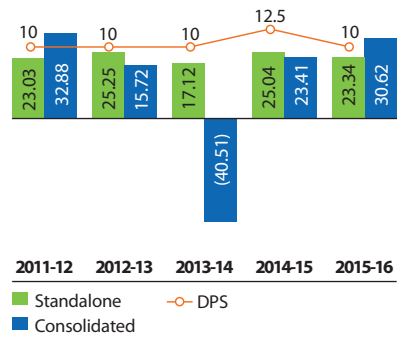
Cash from Operations (₹ in Crore)



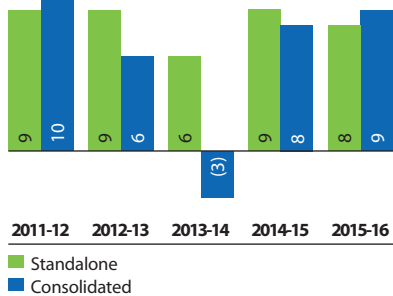
Net Debt / EBITDA



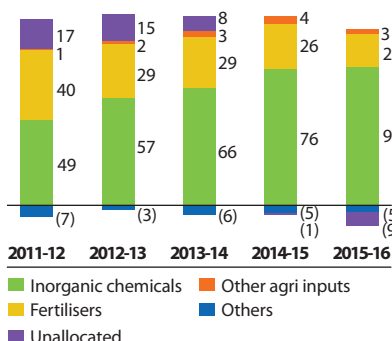
Earnings per Share and Dividend per Share (₹)



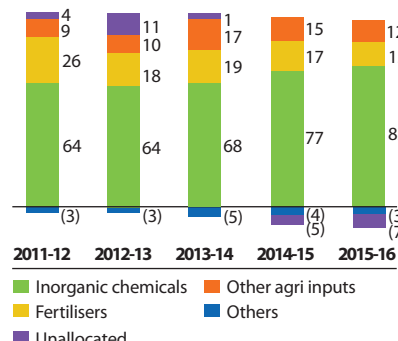
Return on Invested Capital (%)



Segmental Results (PBIT\*) (Standalone) (%)



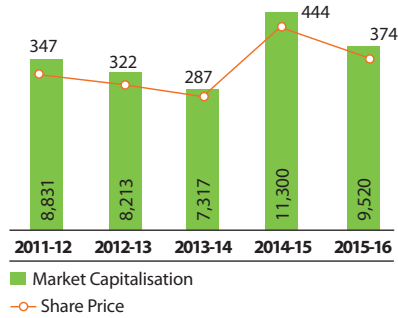
Segmental Results (PBIT\*) (Consolidated) (%)



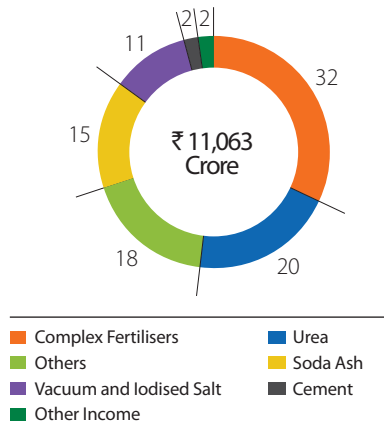
\*before exceptional items

\*before exceptional items

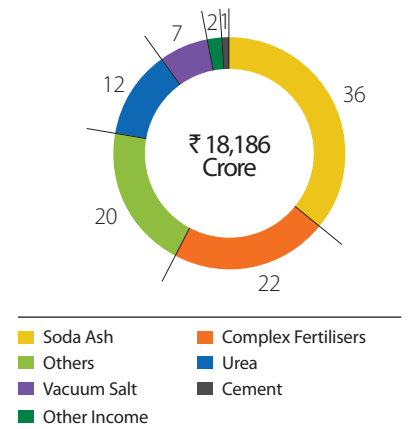
**Market Capitalisation & Share Price**



**Gross Revenue Breakup (Standalone) (%)**

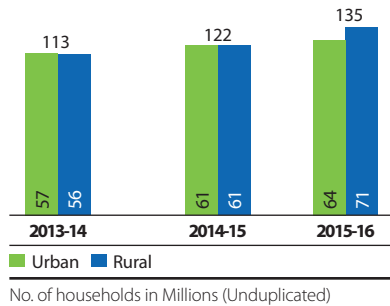


**Gross Revenue Breakup (Consolidated) (%)**



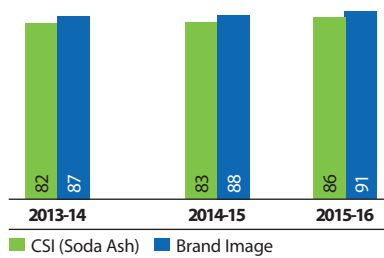
**Living Essentials**

**Tata Salt Annual Reach**



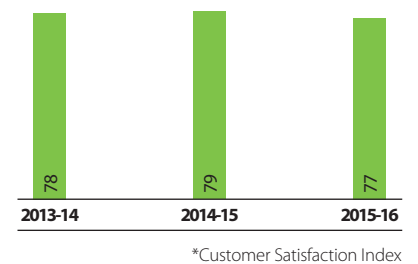
**Industry Essentials**

**CSI\* score (For Chemicals India)**



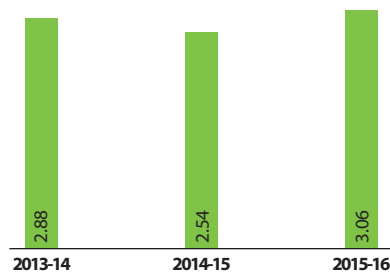
**Farm Essentials**

**CSI\* score (For Farmers)**

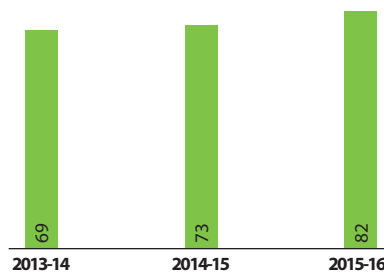


**TRIFR**

**(Recordable injuries / Million man-hrs)**



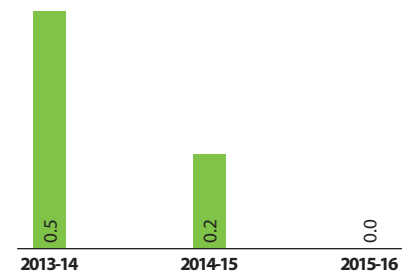
**Employee Engagement (India) (%)**



**Fresh Water Consumption**

**(Kilo litre / tonne)**

**(Indian Chemical Operations)**



# GOVERNANCE

The Company continues to lay great emphasis on the highest standards of Corporate Governance. The Company believes that this is essential for achieving long-term corporate goals and to enhance stakeholders' value. In this pursuit, the Company's Corporate Governance philosophy is to ensure fairness, transparency and integrity of the management, in order to protect the interests of all its stakeholders. Strong leadership and effective corporate governance practices have been the Company's hallmark and it has inherited these from the Tata culture and ethos.



**Left to Right:** Mr. EA Kshirsagar, Mr. Nasser Munjee, Mr. Nusli N Wadia, Mr. Cyrus P Mistry, Dr. YSP Thorat, Mr. Bhaskar Bhat, Ms. Vibha Paul Rishi, Mr. R Mukundan, Dr. Nirmalya Kumar

## Board of Directors

**MR. CYRUS P MISTRY**  
CHAIRMAN

1 3

**MR. NUSLI N WADIA**  
INDEPENDENT DIRECTOR

1 3

**MR. NASSER MUNJEE**  
INDEPENDENT DIRECTOR

2 3 4

**MR. EA KSHIRSAGAR**  
INDEPENDENT DIRECTOR

2 5

**DR. YSP THORAT**  
INDEPENDENT DIRECTOR

1 2 4 6

**MS. VIBHA PAUL RISHI**  
INDEPENDENT DIRECTOR

**MR. BHASKAR BHAT**  
DIRECTOR

1 3 4

**DR. NIRMALYA KUMAR**  
DIRECTOR

2

**MR. R MUKUNDAN**  
MANAGING DIRECTOR

1 4 5 6

### BOARD COMMITTEES

- 1 Executive Committee of the Board
- 2 Audit Committee
- 3 Nomination and Remuneration Committee
- 4 CSR, Safety and Sustainability Committee
- 5 Risk Management Committee
- 6 Stakeholders' Relationship Committee

Chairman  
 Member

## Management Team

CORPORATE	INDIA OPERATIONS	INTERNATIONAL OPERATIONS
<p><b>MR. R. MUKUNDAN</b> MANAGING DIRECTOR</p> <p><b>MR. JOHN MULHALL</b> CHIEF FINANCIAL OFFICER</p> <p><b>MR. R. NANDA</b> CHIEF HUMAN RESOURCES OFFICER</p> <p><b>MR. RAJIV CHANDAN</b> GENERAL COUNSEL AND COMPANY SECRETARY</p>	<p><b>DR. ARUP BASU</b> PRESIDENT, NEW BUSINESS AND INNOVATION CENTRE</p> <p><b>MR. ZARIR LANGRANA</b> CHIEF OPERATING OFFICER, CHEMICALS (INDIA)</p> <p><b>MR. D. K. SUNDAR</b> CHIEF OPERATING OFFICER, FERTILISERS</p> <p><b>MS. RICHA ARORA</b> CHIEF OPERATING OFFICER, CONSUMER PRODUCTS</p>	<p><b>MR. MARTIN KEIGHLEY</b> MANAGING DIRECTOR, TATA CHEMICALS NORTH AMERICA</p> <p><b>DR. MARTIN ASHCROFT</b> MANAGING DIRECTOR, TATA CHEMICALS EUROPE</p> <p><b>MR. JACKSON MBUI</b> MANAGING DIRECTOR, TATA CHEMICALS MAGADI</p>

## Other Information

<p><b>AUDITORS</b></p> <p>Deloitte Haskins &amp; Sells LLP Chartered Accountants</p>	<p><b>SOLICITORS</b></p> <p>AZB &amp; Partners Mulla &amp; Mulla &amp; Craigie, Blunt &amp; Caroe</p>	<p><b>REGISTRAR &amp; TRANSFER AGENTS</b></p> <p>TSR Darashaw Limited, 6-10 Haji Moosa Patrawala Industrial, Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011</p>
<p><b>ANNUAL GENERAL MEETING</b></p> <p><b>Thursday, 11th August, 2016 at 3:00 p.m.</b></p> <p><b>Venue:</b> Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400020</p>		

# CUSTOMER AT HEART

## BUSINESSES



Goodness • Wellness • Strength • Quality • Trust

 Living Essentials

Consumer Products

 Industry Essentials

Bulk Chemicals

 Farm Essentials

Crop Nutrition and Agri Business

Crop Protection

Seeds

**NEEDS**

**BRANDS**

**Specialised Fortification blend for health benefits**

Tata Salt Plus, Tata Salt Lite



**In addition to Iodisation, Product quality: Purity (complete solubility), Consistent Saltiness, Whiteness**

Tata Salt



**Product quality, Adequate Iodisation, Value for Money**

I-Shakti Salt



**Protein consistency - Unpolished, Free of impurities (Sortexed), Taste, traditional Indian food in convenient packaging, Low oil absorb, guilt free indulgence**

Tata Sampann Pulses  
Tata Sampann Besan



**Naturally rich, Retain natural spice oils, Healthy life**

Tata Sampann Spices



**Affordable safe drinking water**

Tata Swach



**Differentiated services  
Value added products as per customer requirements**

Soda Ash,  
Bicarbonate,  
Industrial Salt



**Ordinary Portland Cement - to bear a particular compressive strength, Masonry - setting or drying time**

Cement



**Product quality, Packaging quality and availability**

Basic products  
(Urea / NPK  
fertiliser)



**Product and Packaging quality, new technology (Products & Services), Technical Knowledge (TKPM Program), Advice by Farm Experts, Tata Kisan Sansar (TKS) outlet**

Value added products  
and services  
Pesticides



**Effective germination and high yield**

Seeds



A photograph of two women in a kitchen. The woman on the left, wearing a light blue and white outfit, is smiling and pouring something from a small glass jar into a pan. The woman on the right, wearing a pink patterned kurta, is also smiling and looking at the pan. The background shows a bookshelf with books. The overall mood is warm and collaborative.

# LIVING ESSENTIALS

Through its Living Essentials products, TCL touches the lives of millions of consumers across India, providing high quality products for better health and nutrition.

## HIGHLIGHTS 2015-16

**Tata Sampann range of Spices successfully launched in the Northern and Eastern states of India**

**Tata Salt Plus, Iron Fortified iodised salt, extended across the country to address Iron Deficiency and Anaemia**

In 2015-16, the Company maintained its leadership position in the national branded edible salt category. With a focus on providing everyday nourishing foods to our consumers, the Tata Sampann umbrella brand was introduced. It houses the unpolished High Protein Dals, Low oil absorb Besan and a wide range of pure and authentic Spices.

The business has a mission of providing everyday nourishing foods to households. The Company's focus is to cater to the needs of homemakers who are looking to provide naturally rich and wholesome food to their family. Through our value added product offerings, we aspire to reach 1 billion consumers by the year 2020.

# 135 million households

Tata Salt's reach in FY 2015-16

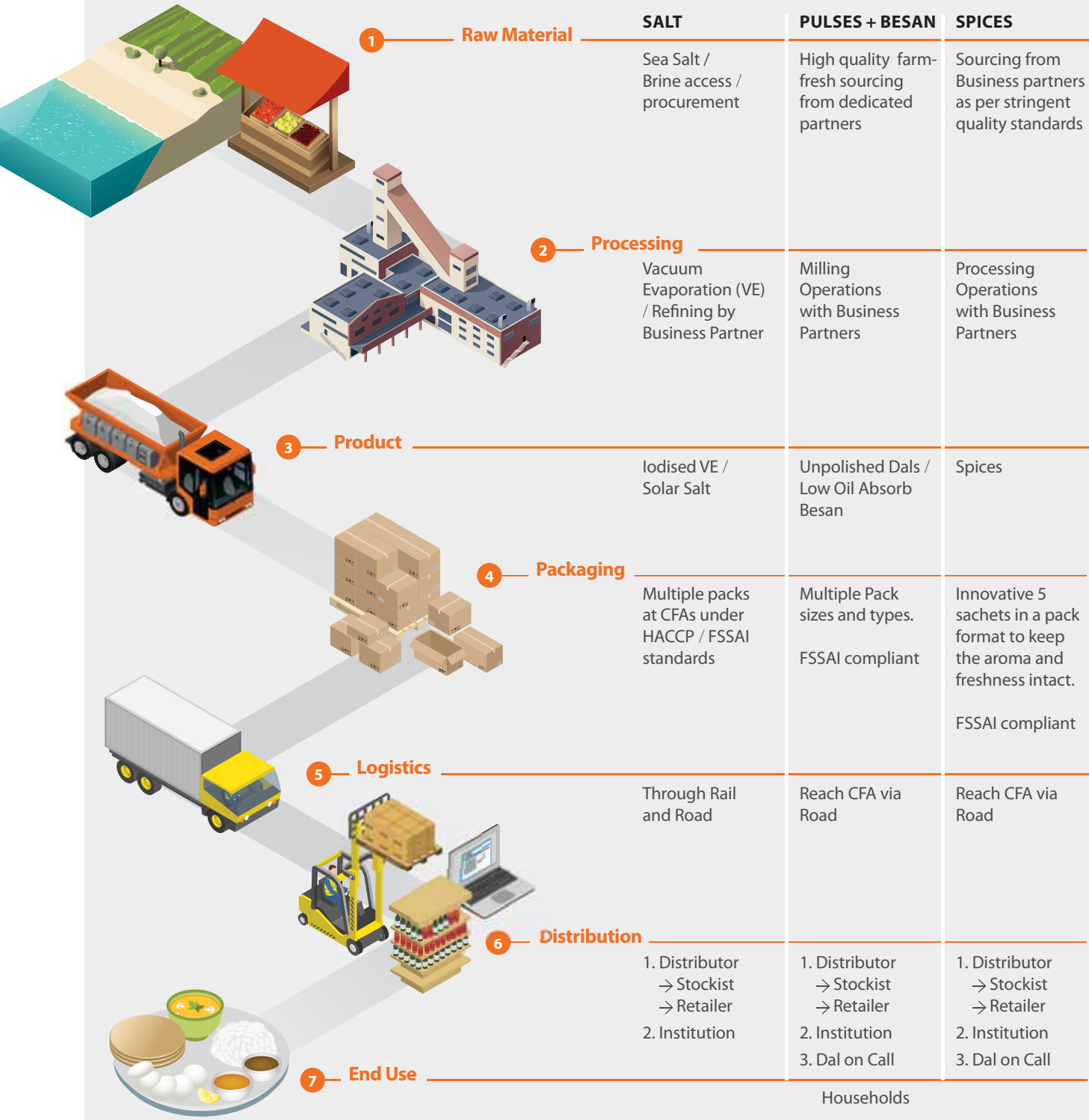


## 2nd most trusted brand in the country

Tata Salt acclaimed as the 2<sup>nd</sup> Most Trusted brand in the country by the Economic Times Brand Equity Survey 2015



# Business Value Chain



## Striving towards stakeholder's delight

### Business partners

- High Quality sourcing
- Partnering with business associates to develop their capabilities for consistent delivery and superior quality
- Development of direct farm sourcing to facilitate the best value to farmers and end consumers

### Community

- Reuse of outer bags and reduction in process waste to ensure responsible resource consumption
- Rail as a primary means of movement for goods – ensuring lesser pollution and lower congestion on roads
- Continuous customer education about essential nutrients such as Iron and Protein in daily diet, leading to better and healthy living

### Customer

- Creating value-added, everyday food products that provide nourishment and joy
- Consumer feedback captured and imbibed at multiple stages of product development
- Customer Relationship Management system with multiple customer touchpoints
- Consistent delivery of high quality products achieved through HACCP certified processing units

## TATA SALT - DESH KA SALAAM

**ON INDIA'S 69TH INDEPENDENCE DAY, IN THE TRUE SPIRIT OF BEING 'DESH KA NAMA'; TATA SALT PAID A TRIBUTE TO THE INDIAN ARMY THROUGH A LARGE SCALE CAMPAIGN 'DESH KA SALAAM, SARHAD KE NAAM'.**

The campaign was dedicated to the Jawans at Siachen who do not flinch in performing their duty under the harshest of climatic and security conditions. The campaign carried forth the brand philosophy of Tata Salt, and was an attempt at celebrating real life heroes who serve our country selflessly.

This initiative was a 360 degree integrated campaign that engaged consumers at multiple touchpoints. Public participation was invited through radio, social media and out-of-home outreach. We leveraged social media to make the campaign a two-way communication highway. Civilians expressed their gratitude for the men in uniform, and the brave jawans could also convey their emotions and feelings to the country at large.

The campaign generated high engagement, with **6.3 Lac consumers** engaging with the campaign on Social Media and 85,000 consumer giving greetings across all touchpoints. It also created **2 Guinness World Records** and entered the **Limca Book of Records**.



**TATA SALT PLUS IRON STORES FOR ANAEMIA FREE INDIA**

**WITH THE OBJECTIVE OF GENERATING AWARENESS ON IRON DEFICIENCY ANAEMIA, TATA SALT PLUS PARTNERED WITH RETAILERS ACROSS THE COUNTRY THROUGH THE CAMPAIGN '12 KA NAARA'**



Tata Salt Plus, our iron fortified iodised salt, was launched with the aim to make India Anaemia free. Iron Deficiency Anaemia (IDA) impacts large parts of the population, yet people are often not aware they might be iron deficient. With the objective of propagating awareness about Iron Deficiency Anaemia and methods to counter it, we partnered with 2,000 retailers across 19 cities through our 'Iron Stores' initiative. Retailers are key influencers for consumers, and they are instrumental in consumer education and awareness generation. Under the programme, retailers took a pledge and declared themselves partners in the drive to eliminate IDA from the country. They were educated about IDA and methods to counter it, so they could in turn educate consumers about the same, thus driving the country forward in its journey towards eliminating IDA.

**TATA SAMPANN BESAN - #ABKHAOBEFIQR**

**WE WANTED OUR CUSTOMERS TO EXPERIENCE GUILT FREE INDULGENCE. THEREFORE, WE CREATED LOW OIL-ABSORB TATA SAMPANN BESAN.**

**5.5 lac people**

enjoyed a Vada Pav made of Tata Sampann low oil-absorb besan

To ensure that customers understood this unique low-oil absorb value proposition, we tied up with popular local food joints in Mumbai. Over 5.5 lac people enjoyed healthy 'Vada Pavs' – Mumbai's stand-out snack - made with Tata Sampann Besan. The activity was amplified through Radio, with Mumbai's top RJs spreading the message of #AbKhaoBefiqr in a way that engaged consumers.



## Risks, Impact and Strategic Initiatives

1

### Market volatility and sourcing risk for agri-based products.



Commodity prices risk can impact financials for staple based product portfolio. Immediate price corrections may not be possible.

**STRATEGIC INITIATIVES**

- Development of robust predictor models for crops using the data inputs tracked for reliable forecasts
- Optimising harvest time sourcing to ensure better pricing

2

### Regulatory risk due to food based product portfolio



Stricter food safety norms and more stringent regulation in foods in the form of FSSAI guidelines.

**STRATEGIC INITIATIVES**

- HACCP certification for all processing units including business partners
- Upgradation of facilities at clearing and forwarding agents including Infrastructure overhaul for handling foods
- IT interventions for Decision Support System

3

### Competition from private labels due to the growth of modern trade and e-commerce



It is imperative to create a differentiated product portfolio and strengthen brand awareness and loyalty amongst consumers, else, market share may be impacted.

**STRATEGIC INITIATIVES**

- Rolling out more value added products
- Creating a significant product differentiation through a systematic Stage and Gate process
- Marketing activities to drive brand differentiation and higher consumer mindshare



# INDUSTRY ESSENTIALS

The Industry Essentials business of Tata Chemicals is a trusted manufacturer of essential inputs like Soda ash & Sodium Bicarbonate for diverse industries such as glass, detergents, silicates, textiles, food, pharmaceuticals, animal feed, mining and chemical processing.

## HIGHLIGHTS 2015-16

Continued strong focus on operational efficiencies contributed to improved profitability of the business in a mixed business environment.

Operational and financial benefits from business reconfiguration in the UK and Kenya being realised.

Awarded the coveted BSC "Sword of Honour" for safety efforts.

The Company believes in "Sustainability driving Strategy" and strives to move beyond compliance for the betterment of the community and ecology. Accordingly, usage of fresh water for process has been reduced to zero at Mithapur.

With a capacity of approximately 4.3 million MT across its manufacturing facilities in India, UK, Kenya and USA, the Company has a competitive advantage of being the world's most geographically diversified soda ash company with more than 6% global capacity share (~70% of this capacity is natural soda ash based). The Company's natural soda ash operations are located at the Green River Basin, Wyoming in the USA, where the world's largest deposits of trona occur, and at Lake Magadi in Kenya. Natural soda ash helps the Company to have manufacturing processes with low energy and environmental footprint. Synthetic soda ash and sodium bicarbonate are manufactured at Mithapur, India and Northwich, UK. This process uses salt water and limestone as key raw materials.

At Mithapur, the Company also produces other allied chemicals such as cement, caustic soda, liquid chlorine, liquid bromine and gypsum. The cement plant was set-up in 1993 to convert solid wastes (generated as by-products of soda ash and fly ash from the captive power plant) to value-added products. Various grades of industrial salt are also manufactured at the UK facility.

With manufacturing facilities located across the four continents - Tata Chemicals North America (TCNA), Tata Chemicals Europe (TCE), Tata Chemicals Magadi in Africa (TCML) and Tata Chemicals in Asia (TCL), the Company efficiently serves customers across the globe.



# 4.3 million MT

Soda ash capacity across its manufacturing facilities in India, UK, Kenya and USA

**"TCNA understands our organisation and has always managed to avert service risks and issues that would expose us. Whenever we have been faced with any issues, TCNA has worked closely with us to resolve it expeditiously."**

– Mr. Michael Mazzarello - Procurement Director, Chemtrade Logistics

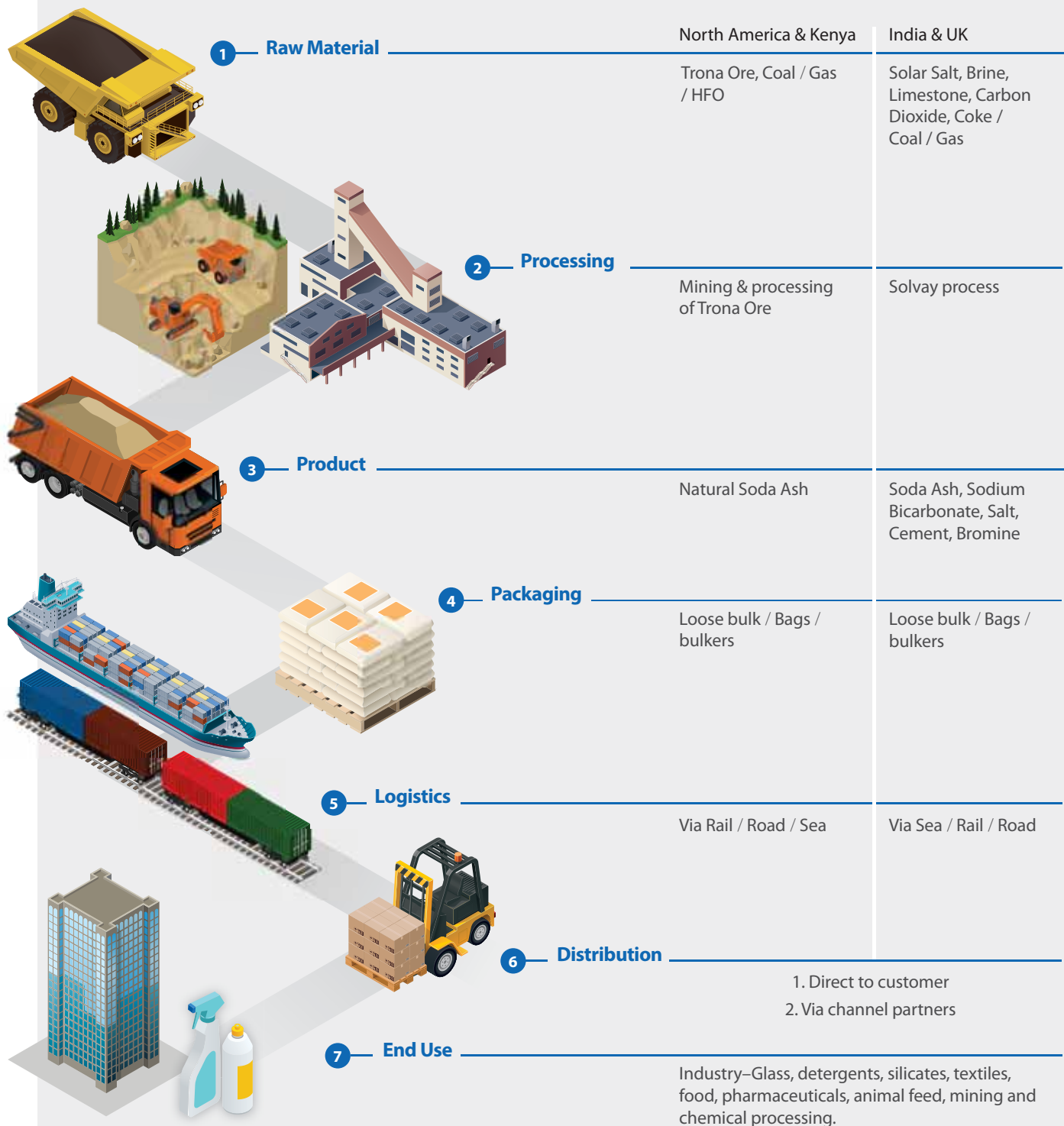
**"We have an excellent relationship. We speak our minds. We share the facts. We hide nothing. In good times, we celebrate. In bad times, we help each other. One will never fail the other. It works."**

– Mr. Pattaphony Lamsuro - President Packaging & Supply Chain, BJC

**"Tata team has shown great initiative for system optimisation and is very customer centric."**

– Mr. Eisenhower - ED, Saint Gobain

# Business Value Chain



## Striving towards stakeholder's delight

### Business Partners

- World-class supplier partnerships
- Support suppliers from socially disadvantaged sections to make a positive impact on the community
- Collaborating to develop innovative new materials for low cost & efficient mine equipment
- Continuous supplier engagement to help improve relationships - evaluating competencies and providing assistance

### Customer

- Customised value added product variants-Bicarb, Cement
  - Joint value creation programmes with key customers
  - Key account workshops to develop better understanding of their needs and creating solutions
  - Integrated e-CRM solution, dedicated 24X7 Customer call centre (ChemConnect)
- Supplier Managed Inventory for Key Accounts & greater visibility to customers
- Efficient and reliable supply chain solutions aligned to customers' operational requirements
- Partnership with customers for new product innovation



### SAFETY

**'Target Zero Harm' safety initiative across all manufacturing locations**

**'Suraksha Jyot' as a flagship safety programme at Mithapur.**

**Developing safety 'Looking For Trouble – identifying potential hazard areas' programme in collaboration with USW (United Steel Workers) at TCNA**

**Safety Amnesty at TCE**

**Rail Safety Management at TCML**



## Risk, Impact and Strategic Initiatives

### 1

#### Global economic slowdown coupled with changing soda ash demand supply dynamics



##### STRATEGIC INITIATIVES

Emerging economies have been the primary growth driver for soda ash over the past decade with increasing glass and detergent usage. However, a sluggish global economy and flat glass demand in China has led to demand slowdown. On the supply side, multiple realignments are being witnessed with capacity consolidation in China and addition of low-cost natural capacity in Turkey.

Tata Chemicals, with its global manufacturing footprint, ~70% mix of natural soda ash, and continued focus on low cost manufacturing and high demand markets is suitably positioning itself to cater to its customers while maintaining sustainable operations.

### 2

#### Maintaining profitability through focus on cost competitiveness and creating value added products / brands



##### STRATEGIC INITIATIVES

Multiple focused programmes on:

- Raw material securitisation
- Increased operational and energy efficiencies
- Process optimisation leading to lower consumption of raw materials
- Rationalising and aggressive fixed cost controls

# 3

## Evolving environmental regulatory trends for businesses around the world

We believe in “Sustainability driving Strategy” and hence strive to move beyond compliance for betterment of the community and ecology. Following are the key trends and regulatory framework we refer to while aligning our operations.

### STRATEGIC INITIATIVES

#### Indian Operations

Indian regulations call for thrust on:

- Energy Efficiency- PAT (Perform, Achieve, Trade) targets have been set for cement business
- Tightening Emissions norms & monitoring
- Low carbon footprint / thrust on renewables – Renewable Purchase Obligation (RPO) Implementation
- Natural resource conservation and waste management / recycling
- We are fully compliant with PAT targets for reduction of energy consumption
- TCL is fully compliant; Online monitoring solutions have been implemented
- Renewable Energy Certificates (RECs) to ensure full compliance with RPO obligation
- Almost zero fresh water usage; Augmentation of green belt – greening of settling ponds



#### North American Operations

Best Available Retrofit Technology (BART) – NOx reduction

- NOx reduction investment in burner management
- Investing to reduce boiler emissions

#### UK Operations

- Regulatory focus around energy efficiency
- Measures taken towards energy efficiency, lowered water usage and lesser effluent generation

#### Kenya Operations

- Active engagement with stakeholders



# FARM ESSENTIALS

Covering close to 85 percent of arable land in India, the Farm Essentials business of Tata Chemicals provides a complete range of farm solutions and customised requirements for farmers across the country. The Company aims to increase farm productivity and improve the earning capacity of farmers.

## HIGHLIGHTS 2015-16

**Non-subsidised  
business grows to  
₹ 689 Cr in FY16**

**Setting Benchmarks  
in energy efficiency  
amongst the Indian  
urea plants on a  
consistent basis**



The Farm Essentials business of Tata Chemicals helps farmers enhance their farm yields by developing innovative agri-solutions and services –fertilisers, pesticides, specialty nutrients, seeds and agri-services. The Company is a key producer of nitrogenous and phosphatic fertilisers in the private sector. It also offers a basket of other crop nutrition products, including soil-specific customised nutrients, under the 'Tata Paras' brand, one of the leading names in the fertiliser segment.

Rallis India, a subsidiary of Tata Chemicals is India's leading crop nutrition companies with a portfolio in crop-protection chemicals, seeds, plant growth nutrients, soil conditioners and agri services that complement our offerings towards the Indian farmer community. Rallis also has a presence in hybrid seeds through its subsidiary, Metahelix.

Tata Kisan Sansar (TKS) a dedicated franchisee retail network model for distribution of agri inputs provides a trustworthy, "One-stop agri inputs and services" offering to farmers.

TKS networks count

**800+**  
centres

Reaching

**20,000+**  
villages

Supporting

**~1.3 million**  
farmers

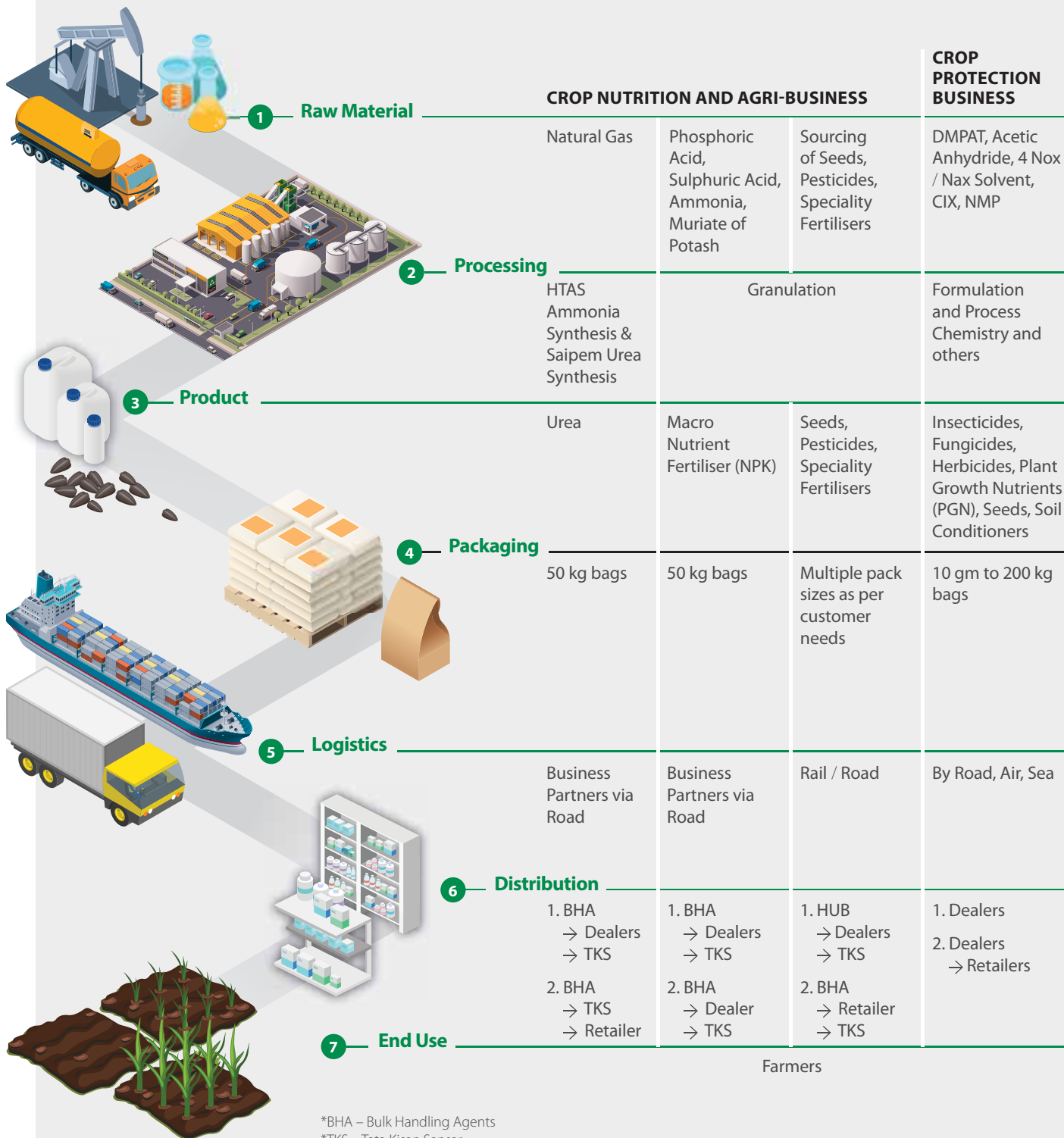


**"During my 10 years  
of experience with  
Tata Kisan Sansar,  
Tata Chemicals has  
been introducing  
new product range  
along with ongoing  
development initiatives  
and these are very  
popular with farmers."**

– Mr. Umesh Chandra Sharma,  
TKS - Om Agency, Narauli,  
District - Sambhal



# Business Value Chain



\*BHA – Bulk Handling Agents  
 \*TKS – Tata Kisan Sansar  
 \*NPK – Nitrogen, Phosphorous and Potassium

## Striving towards stakeholder's delight

### Business Partners

- Regular interaction with suppliers through meetings and forums to enhance relationships
- MD's Safety Awards to recognise business partners

### Dealers & Retailers

#### Dealer engagement:

- Based on business performance, customers are recognised and rewarded
- Relationship building programmes like 'Maitri' and other communication meets are a regular feature
- Action plans are determined based on regular satisfaction surveys and feedback gathered from farmers

### Farmers

- TKS 'Sparsh' is an initiative to promote innovation in agriculture
- Digital interventions have been introduced to help better planning and connectivity along the value chain. The Sugam Learning app has been created for farmer assistance, and Chat groups of progressive farmers enable seamless sharing and dissemination of information
- Cluster approach for better focus on increased agriculture production
- Soil-Test based fertiliser application
- Action plans are determined based on regular satisfaction surveys and feedback gathered from farmers



**"I had used the customised Paras Farmoola fertiliser 4-5 yrs back for Potato crop and it gave better yield. This time when Paras Farmoola for sugarcane was introduced, I used in my field and I'm very happy with the results."**

– Mr. Nawanit Gupta,  
Village - Sandalpur, Tahsil - Bilari,  
District - Moradabad

## Risk, Impact and Strategic Initiatives

1

### Pressure on margins in regulated business



**STRATEGIC INITIATIVES**

- Increasing focus on non-regulated and organic fertilisers to protect cash flows. To double the sales from current levels for de-regulated business (Speciality Fertiliser, Pesticides, Seeds) by 2020

2

### Volatility in traded bulk products



**STRATEGIC INITIATIVES**

- Hedging & stop-loss limit for each category
- Maintain minimum inventory levels to ensure sustenance of brand
- Increase the penetration of TKS in areas with low penetration, improve direct retail response.

3

### Maintaining high quality of products in the traded business



**STRATEGIC INITIATIVES**

- Annual audit of business partner facilities
- Adherence to stringent quality control checks

## TATA KISAN SANSAR – FARMER INTERFACE

TATA KISAN SANSAR HAS BEEN TOUCHING LIVES OF MILLIONS OF FARMERS THROUGH ITS RURAL FRANCHISE MODEL. IT PROVIDES A COMPLETE RANGE OF AGRI-PRODUCTS AND SERVICES RANGING FROM CROP NUTRITION, CROP PROTECTION, SEEDS, FARM SERVICES, SOIL TESTING AND FARM ADVISORY.

**1.3 million farmers supported by TKS**

It has gradually evolved from a product selling retail to a complete solution provider to the farmer fraternity. TKS uses modern retail design and branding for its stores and provides quality agri inputs to the farmers. The patronisation of the store has led to manifold increase in the brand equity of TKS. There is a perfect blend of quality & genuine brands, technical information relevant to the local agricultural practices, dedicated consumer connect programmes & the usage of technology to reach more farmers with standard sources of information. The brand punch line of "Krishi Aay Ke Sabhi Upay" is practiced here every day with every consumer touchpoint to increase rural entrepreneurship in local community.



## PEOPLE

Growth and development of any organisation is directly proportional to the growth and development of its people. Like our business portfolio that revolves around LIFE, TCL's offerings to its employees worldwide also focuses on LIFE: Learning, Inclusiveness, Fun and Empowerment.

### Aon Best Employer Award (India) 2016

### Best Company to Work For in Kenya

TCML recognised by Deloitte as "Best Company to Work For" in Kenya



World Environment Day activity at Mumbai.

TCL values its employees and invests in capability building with a long-term investment orientation. Enhancing our skill portfolio through addition of new capabilities through hiring, grooming of internal talent and functional capability building are our focus areas in Learning. This year we have added new capabilities in digital marketing, consumer research, new product development and domain experts for our innovation centre. SpringBoard, TCL's integrated Talent Management Programme aligns high potential management and succession management across levels for both leadership and specialist career tracks. Development plans that focus on 3E Development Model of Experience, Exposure and Education ensures we are investing in building a pipeline ready to take on our transformational journey. Our Management Development Programme (MDP) is one of our flagship programmes to build leadership and managerial capability. For functional skills, there is focus on classroom and "On the Job training".

Rooted in the TATA philosophy of trust & Inclusiveness, we trust our people to do the right thing and this approach forms the core foundation of all people related initiatives. Flexi-time, work from home, auto approval of leave, unsupervised pantry are just a few manifestations of our belief in employees. We don't stop here but we reinforce the expectation we have of our employees to display ethical behaviour in all transactions and relationships through "Ethics Begins with ME", campaign. Our annual Ethics Month Celebrations is an occasion to rededicate our commitment to conducting business in an ethical manner.



Ethics Month celebration at Mithapur, Gujarat

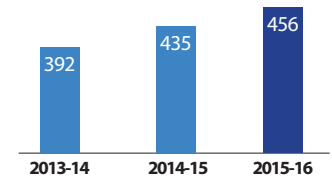
There is a thrust of improving diversity in the organisation, with special focus on gender diversity. Extended maternity leave as well as flexible work hours for new mothers are some of our key initiatives for retention of women. Gender sensitivity workshops, improving hiring rates of women at entry levels, introducing night shifts for women employees at our Babrala plant are some of the other initiatives for improving gender diversity. Seamlessly Harnessing Internal Expertise (SHiNE+) is TCL's Internal Job Posting cum Employee Referral Programme which also articulates the push towards diversity in a big way.

TCL is a place where employees are encouraged to have Fun at Work. A number of initiatives and events such as Oorja, our annual cultural festival and Stepathlon are conducted to promote collaboration and a healthy work environment. Safety, being one of our core value, besides investing significantly on Safety programmes we have taken a step further by linking our Variable pay to safety record of the business for the year. All major festivals are celebrated with a lot of gusto in our offices and townships bringing together people.

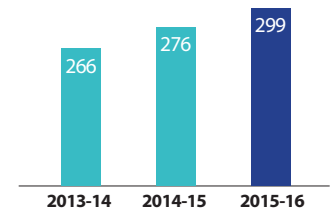
Our approach has transitioned from the traditional manufacturing set-up to establishing an empowering and enriching environment for our people. Cascading of organisational goals using the BSC-SDM tool helps to bring in role clarity and alignment at all levels. To create a sense of Empowerment TCL provides employees opportunities to explore career mobility options within the organisation. 'Simpli5', is an initiative which focuses on innovative practices to reduce complexity and improve productivity at the workplace. At Tata Chemicals the elements of LIFE, both from a business perspective and people perspective are interwoven closely with our core values of SPICE (Safety, Passion, Integrity, Care & Excellence).

### Management Development Programme

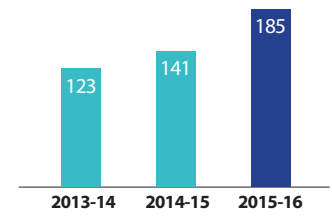
**Number of people who have undergone MDP training**



### No. of Women Employees



### Lean Six Sigma Certifications (India)



Book Drive at TCNA.

## SUSTAINABILITY

At Tata Chemicals, our commitment to making lives better goes beyond business. In addition to what we do through our products, the Company engages with and supports key communities across our operations. We work with local partners, employees and other stakeholders to solve important issues and generate greater social equity.

Our key areas of intervention are divided into Blossom, Enhance, Aspire, Conserve and Nurture.

To carry out this work in India and at our overseas operations, we established a number of non-profit organisations such as Tata Chemicals Society of Rural Development (TCSRSD), Uday Foundation, Tata Chemicals Golden Jubilee Foundation, Magadi Soda Foundation and Okhai-Centre for Empowerment to help us improve our reach.

At Tata Chemicals Europe, the Company works with local schools, authorities and charities to support students, promote health and the spirit of community, as well as support local heritage. Charities established by employees support local hospitals, churches, retirement homes, local sports and Cub Scout groups.

At Tata Chemicals North America, we support the community by working through organisations like United Way and local food banks. The Company encourages volunteering activities where employees volunteer to help senior citizens, disabled persons and others in the community to build homes or for other major projects.

In Kenya, the Magadi Soda Foundation works towards the development of the community with core programmes and focus being towards education, health, women empowerment, livelihoods and infrastructure. Livelihood programmes like beadwork for women through Okhai, and arid agriculture programmes are carried out for the community.

In India, some of our key initiatives include Dharti Ko Arpan – environment conservation programmes, Okhai, Centre for Empowerment – that supports rural handicrafts, Unnati – farmers growth programme, drinking water and sanitation, integrated watershed management, animal husbandry and vocational skill development. We partnered with Tata Strive and facilitated setting up of the “Tata Strive Skill Development Centre” in Aligarh, to impart vocational and industrial training for the unemployed youth. Through the ‘Child Learning and Improvement Programme’, a strategy was designed to support meritorious students with long-term support and engagement, also Cloud based HP Life Centre making various computer courses available for students.



**Okhai-Centre for Empowerment**, supports handicrafts and works for the empowerment of artisans, introduced a new product range, launched the brand online and focused on market linkages which helps achieve a higher turnover.



### Clean Drinking water projects

Several kms of water pipelines were laid to provide access to clean drinking water for the local community in Magadi.

## Sustainability commitments

We are committed to integrate environmental, social and ethical principles into our business, which is central to improving the quality of life of the communities we serve globally and enhancing long-term stakeholder value.

We aspire for global sustainability leadership in the sectors in which we operate. To achieve this, we have constituted a governance structure to oversee our sustainability commitments and identify & address relevant sustainability issues. We are in the process of undertaking natural and social capital valuation to assess business risks.

### Climate Change Actions

Establish and promote consistent climate policy across the value chain and pursue science based targets.

### Resource Conservation: Energy

- Energy efficiency as a part of responsible manufacturing index (RMI)
- Promote renewables and fuel efficiency in the community and with farmers

### Resource Conservation: Water

- Water in the value chain: Be net fresh water neutral at manufacturing sites
- Safe drinking water: Reach 25 million people

### Waste Management

Promoting reduction, reuse and recycling of packaging and other wastes

### Nature & Biodiversity

- Responsible mining / supply chain
- Species conservation
- Commit to remove commodity driven deforestation in supply chains

### Product Stewardship

- Supply chain
- Responsible care / customer education
- Life cycle assessment (cradle to grave)

### Empowering Communities

- Empowerment: establish Community based organisations
- Inclusion: Women, socially and economically backward communities
- Technology and innovation
- Volunteering
- Community connect / community grievance management



#### Reading programmes

Employees of Tata Chemicals North America spend time reading to Elementary school children through the First Books Initiative.



#### ECO Clubs Programme

36 different programmes of biodiversity conservation, environmental awareness and climate change were organised in 2015-16 with a focus on coastal and marine ecosystem conservation.

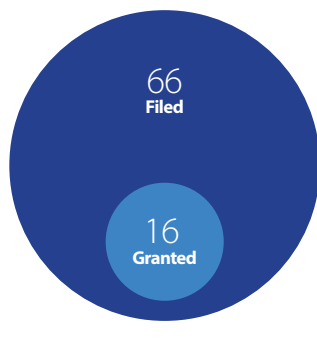
# INNOVATION

Innovation is one of the critical enablers in Tata Chemicals' journey of growth. We believe that creating customer-centric technology and innovation can provide sustainable differentiators for the Company and create value for our stakeholders.

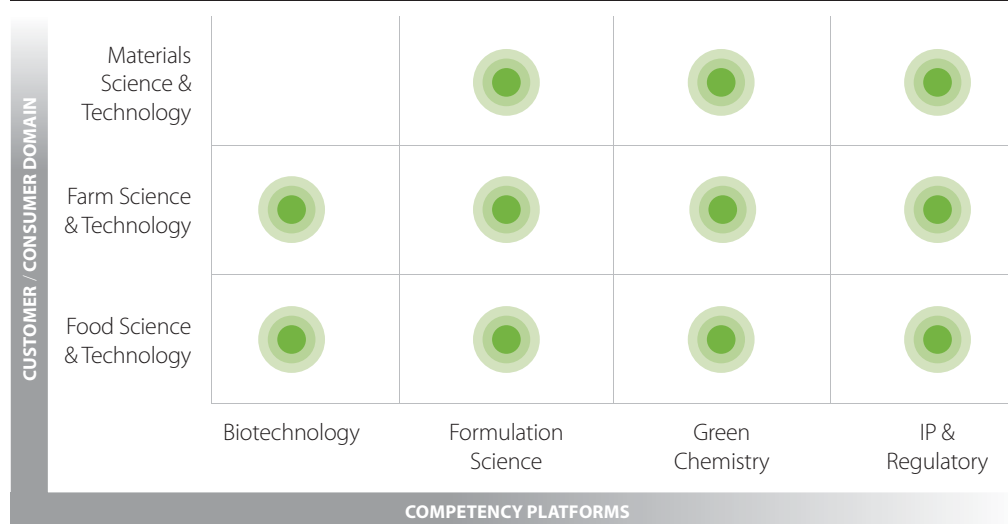
**150+**  
scientists

**The Innovation Centre (IC)** was set up in 2004 to seed new businesses using principles of sustainability and green chemistry. The Nutritional Solutions (food formulations) and Specialty Chemicals (nano formulations) lines of businesses are outcomes of this process. In addition, IC provides application development, IP and regulatory support to business units in TCL and the Tata Group based on domain expertise. Over time, this Department of Science and Industrial Research (DSIR) approved centre aims to evolve into an autonomous and self-reliant basic and applied sciences unit serving the needs of TCL and Tata Group.

## Patents



## Competencies



The **Tata Chemicals Centre for Agriculture and Technology (CAT)** was set up in Aligarh, Uttar Pradesh to provide advice to farmers in crop nutrition practices and sustainable farming solutions. Specific projects are being undertaken on determining area and crop specific nutrition products, soil health tracking through indexing etc. It has led the development of the Paras Farmoola customised fertilisers, designed for specific crop and soil requirements and hence yield better results.

across the country. As new products are being introduced, major expansion in contract manufacturing services are being made possible. The work includes obtaining new registrations for expansion both domestic and overseas business, providing technical support and educating the stakeholder ecosystem of farmers, dealers, government agencies among others.

By bringing and implementing latest and cutting edge technologies **Rallis Research and Development Centre (Rallis Innovation Chemistry Hub-RICH)** provides potential solutions in crop protection

**Metahelix Life Sciences research centre at Bengaluru** focuses on development of agricultural and biotechnological traits and technologies for crop protection and improved productivity. They also provide customised research to select companies using proprietary technologies in crop transformation and functional genomics.

## RESULTS AT A GLANCE

(₹ in crore)

	Tata Chemicals Standalone		Tata Chemicals Group	
	2015-16	2014-15	2015-16	2014-15
Total Revenue	10,807.54	10,278.35	17,830.73	17,322.45
Profit/(Loss) before tax	801.92	854.09	1,271.40	1,158.51
Profit/(Loss) after tax	594.58	637.97	979.87	807.39
Profit/(Loss) after tax, minority interest and share of loss in associate	-	-	780.16	596.46
Dividends	254.76	318.44	254.76	318.44
Reserves	6,139.40	5,788.45	6,033.58	5,296.89
Capital Employed*	6,304.76	5,704.38	17,742.44	16,591.35
Net Worth**	6,394.22	6,043.27	6,288.40	5,551.71
Borrowings	3,042.75	2,715.88	8,694.25	8,378.84
	<b>Ratio</b>		<b>Ratio</b>	
Debt : Equity	0.48	0.45	1.38	1.51
	₹		₹	
Net worth per share as at year end	250.99	237.22	246.84	217.92
<b>Earnings per Share:</b>				
Basic	23.34	25.04	30.62	23.41
Diluted	23.34	25.04	30.62	23.41
Dividend per Ordinary Share	10.00	12.50 <sup>#</sup>	10.00	12.50 <sup>#</sup>
Shareholders (Numbers)	1,85,275	1,84,566	-	-

\* Capital Employed: Total Assets minus Current Liabilities plus Short-term Borrowings plus Current Maturities of Long-term Debt and finance lease obligations minus investment in subsidiary companies (other than Rallis India Limited)

\*\* Net Worth: Share Capital plus Reserves

<sup>#</sup> Includes Platinum Jubilee year special dividend of ₹ 2.50 per share

## BOARD'S REPORT

### TO THE MEMBERS OF TATA CHEMICALS LIMITED

The Directors hereby present their seventy seventh Annual Report together with the audited financial statements for the Financial Year (FY) ended 31st March, 2016.

### FINANCIAL RESULTS

(₹ in crore)

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
<b>Total Revenue</b>	<b>10,807.54</b>	10,278.35	<b>17,830.73</b>	17,322.45
Profit before Depreciation and Exceptional items	<b>989.67</b>	1,046.80	<b>1,736.01</b>	1,821.36
Less : Depreciation	<b>187.75</b>	192.71	<b>464.61</b>	463.14
Less : Exceptional items	-	-	-	199.71
<b>Profit / (Loss) before tax</b>	<b>801.92</b>	854.09	<b>1,271.40</b>	1,158.51
Tax	<b>207.34</b>	216.12	<b>291.53</b>	351.12
<b>Profit / (Loss) after tax</b>	<b>594.58</b>	637.97	<b>979.87</b>	807.39
Minority Interest	-	-	<b>196.56</b>	205.53
Share of Loss in Associates	-	-	<b>3.15</b>	5.40
<b>Profit / (Loss) attributable to shareholders</b>	<b>594.58</b>	637.97	<b>780.16</b>	596.46
Add:				
Balance in Statement of Profit and Loss	<b>2,927.28</b>	2,691.98	<b>1,863.84</b>	1,695.63
Other Adjustments	-	(20.65)	-	(21.84)
<b>Amount available for Appropriation</b>	<b>3,521.86</b>	3,309.30	<b>2,644.00</b>	2,270.25
<b>Appropriations -</b>				
(a) Proposed dividend	<b>254.76</b>	318.44	<b>254.76</b>	318.44
(b) Tax on proposed dividend	<b>45.19</b>	63.58	<b>59.51</b>	73.43
(c) General Reserve	-	-	<b>12.60</b>	14.54
(d) Transfer to Other Reserves	-	-	<b>0.50</b>	-
(e) Balance Carried forward	<b>3,221.91</b>	2,927.28	<b>2,316.63</b>	1,863.84

### DIVIDEND

For the year under review, the Directors have recommended a dividend of ₹ 10 per share (100%) on the Ordinary Shares of the Company (previous year ₹ 10 per share and platinum jubilee year special dividend of ₹ 2.50 per share) amounting to ₹ 301.67 crore including Dividend Tax. The dividend payment is subject to approval of the members at the ensuing Annual General Meeting (AGM).

### PERFORMANCE REVIEW

#### Consolidated:

The consolidated net revenue from the operations increased from ₹ 17,204.48 crore to ₹ 17,708.14 crore, an increase of 2.9% over the previous year. Earnings before interest, depreciation, tax and amortisation (EBITDA) was marginally up at ₹ 2,165.17 crore compared to ₹ 2,164.29 crore in the previous year. Profit before tax was up by 9.74% at ₹ 1,271.40 crore against ₹ 1,158.51 crore in the previous year. Profit after tax before minority interest and our share

of losses in associates was at ₹ 979.87 crore against ₹ 807.39 crore in the previous year, up by 21.36%. Profit attributable to the Group after deducting the minority interest and share of loss in associates was up by 30.80% at ₹ 780.16 crore against ₹ 596.46 crore in the previous year.

#### Standalone:

The net revenue from the operations of the Company increased from ₹ 10,083.60 crore to ₹ 10,649.91 crore, registering a growth of 5.6% over the previous year. EBITDA was marginally down at ₹ 1,026.51 crore compared to ₹ 1,038.83 crore earned in the previous year. Profit before tax was ₹ 801.92 crore against ₹ 854.09 crore in the previous year, down by 6.1%. Profit after tax was at ₹ 594.58 crore against ₹ 637.97 crore in the previous year, down by 6.8%.

Tata Chemicals Limited's ('TCL' or 'the Company') operation is organised under four segments i.e. (1) Inorganic Chemicals

comprising Soda Ash, Salt, Sodium Bicarbonate, Marine Chemicals, Caustic Soda and Cement, (2) Fertilisers comprising Fertilisers and other traded products, (3) Other Agri-inputs including Rallis India Limited's operations and (4) Others - comprising Pulses, Spices, Water Purifier, Nutritional Solutions. Performance review of these businesses is as under:

## 1. INORGANIC CHEMICALS SEGMENT

### 1.1 INDIA OPERATIONS:

During the year, the Inorganic Chemicals business posted a revenue on standalone basis of ₹ 3,507.19 crore against ₹ 3,320.24 crore in the previous year, registering a growth of 5.63%.

The Company is an integrated manufacturer of basic and value-added chemicals; key among them being soda ash, sodium bicarbonate and cement. Continued strong focus on operational efficiency and lower energy cost contributed to improved profitability of the business in a mixed business environment. Production levels of most key products remained steady in FY 2015-16 with second highest annual production of Soda Ash and record production of Sodium Bicarbonate.

#### Soda Ash

During the year under review, the domestic soda ash market remained almost flat due to subdued demand from the two key end-use industries. Weak rural demand impacted detergent sales and lower infrastructure spends adversely impacted glass demand. Manufacturing volumes at Mithapur remained marginally higher at 8.10 Lac Tonnes Per Annum (LTPA) as against 7.89 LTPA in the previous year. The total sales volume for the year stood at 6.85 LTPA (rest of the manufactured volume was used primarily for captive consumption to produce bicarbonate). Prices remained under pressure due to demand slowdown and high import volumes.

#### Sodium Bicarbonate

Indian sodium bicarbonate demand grew by almost 4% in FY 2015-16 against the trend of 7-8% growth. Even though growth was subdued this year, the Company believes in the long term attractiveness of this business and continues to maintain market share in excess of 50%. Production for the year stood at ~97,000 tonnes as against ~94,000 tonnes in the previous year. Sales volume at ~89,000 tonnes showed a similar trend. As with soda ash, bicarbonate prices were under pressure. Going forward, the Company will continue to focus on expanding its portfolio of value added offerings for high-end applications.

#### Cement

Demand and price pressures were prevalent for most of

FY 2015-16 due to lackluster demand from the infrastructure development sector. Sales volume and realisation were both under pressure throughout the year. The Company is focused on driving profitability in this business by consciously operating in low freight zones and by expanding into value added products.

#### Salt

Iodised salt production in Mithapur was 8,56,984 tonnes, up by 7% over the previous year. Overall, branded salt sales grew by 9% over the previous year and stood at 10,42,202 tonnes in FY 2015-16. The Company retained its strong market share of 68.5% in the National Branded Salt segment.

Tata Salt grew over 9% in sales volume over the previous year to reach sales volume of 8,67,157 tonnes in FY 2015-16. It continues to be the largest distributed brand with a reach of 16.8 lac retail outlets across India.

Tata Salt Lite grew by 31% in sales volume and achieved volumes of 17,731 tonnes in FY 2015-16. Tata Salt Plus, a double fortified salt that contains Iron and Iodine, was launched pan India during the year.

Sale of I-Shakti salt in FY 2015-16 was 1,41,358 tonnes. I-Shakti salt continues to address the iodisation movement, complementing Tata Salt.

The outlook for the business remains positive, as the business continues to work on distribution expansion, brand building initiatives, strengthening of supply chain while scaling up differentiated products such as Tata Salt Plus - iron fortified iodised salt.

## 1.2 OVERSEAS OPERATIONS

### 1.2.1 Tata Chemicals North America Inc. (TCNA)

Soda Ash production volumes at TCNA during the year were 21,21,544 tonnes against the previous year volume of 23,15,824 tonnes. Volumes were lower due to plant reliability issues faced by the unit during the year. Sales volumes for the year were 21,03,566 tonnes against 23,62,711 tonnes in the previous year.

TCNA posted gross revenue of US\$ 460.47 million (₹ 3,014.66 crore) for the year ended 31st March, 2016 against US\$ 494.50 million (₹ 3,024.38 crore) in the previous year. The reduction was due to lower sales volumes which was partially offset by sales mix and pricing.

TCNA registered EBITDA of US\$ 98.10 million (₹ 642.25 crore) against US\$ 120.80 million (₹ 738.82 crore) in the previous

## BOARD'S REPORT

year. EBITDA was lower due to adverse sales volumes and plant costs partly offset by favourable sales price and mix. Profit before tax and profit after tax for the year were at US\$ 68.50 million (₹ 448.46 crore) and US\$ 33.48 million (₹ 219.19 crore) respectively against US\$ 62.59 million (₹ 382.80 crore) and US\$ 26.36 million (₹ 161.21 crore) respectively during the previous year. Profit before tax and profit after tax were down in the previous year due to one-time impairment charge of US\$ 19.91 million (₹ 121.77 crore) on the investment in the Natronx joint venture.

### 1.2.2 Tata Chemicals Europe Holdings Limited (TCEHL)

TCEHL is the holding company for Tata Chemicals Europe Limited with operations in soda ash, bicarbonate and energy businesses as well as British Salt Limited which carries on the business of manufacturing and sale of industrial salt.

Production of soda ash at the Lostock site was the highest since 2012 and this, together with the efficient operation of a dedicated import facility, enabled the company to maintain its share in the UK market. Production of sodium bicarbonate was 13% higher than in FY 2014-15, with improvements seen at both of the company's plants. Sales volume of soda ash were up 14% whereas bicarbonate volumes were up by 19% from FY 2014-15 levels, however, sales income from continental Western Europe were affected by the weakening of Sterling against Euro.

In the Energy business, external sales of electricity to the National Grid were boosted by commissioning of the new steam turbine project at the Winnington combined heat and power plant during third quarter.

Salt production and sales volumes were marginally lower than the previous year. Weak and poor quality brine impacted the production volumes.

TCEHL's overall turnover for the year was GBP 166.82 million (₹ 1,647.21 crore) against GBP 164.84 million (₹ 1,624.45 crore) in the previous year. EBITDA for the year was GBP 17.75 million (₹ 175.27 crore) against GBP 13.4 million (₹ 132.05 crore) in the previous year.

Despite the positive operating performance improvement over the prior year, the loss after tax during the year was GBP 2.87 million (₹ 28.34 crore) against profit of GBP 0.21 million (₹ 2.07 crore) in the previous year. This was due to accounting for the non-cash movement in gas derivative contracts of GBP 3.1 million (₹ 30.61 crore) against the previous year credit of GBP 3.5 million (₹ 34.49 crore) and expenses relating to the scheduled refinancing of the group's debt.

### 1.2.3 Tata Chemicals Magadi Limited (TCML)

During the year, TCML recorded soda ash production of 3,10,907 tonnes against 3,71,531 tonnes during the previous year.

Soda ash sales volume for the year were at 3,06,803 tonnes against 3,01,686 tonnes during the previous year. Crushed refined soda and salt sales volume in FY 2015-16 were 15,191 tonnes and 21,540 tonnes respectively.

TCML achieved total sales of US\$ 74.1 million (₹ 485.13 crore) during the year against US\$ 87.67 million (₹ 536.19 crore) during the previous year.

TCML achieved an EBITDA of US\$ 17 million (₹ 111.30 crore) for the year compared to negative EBITDA of US\$ 7.53 million (₹ 46.05 crore) during the previous year. The major contributing factors for positive EBITDA performance were low operating cost as a result of favourable HFO prices, lower sea freight and cost rationalisation.

The year registered an impressive profit before tax of US\$ 10.6 million (₹ 69.40 crore) compared to loss before tax of US\$ 17.51 million (₹ 107.09 crore) in the previous year.

### 1.2.4 Tata Chemicals International Pte Limited (TCIPL)

TCIPL is a wholly owned subsidiary and holds the Company's investments in the UK, USA and Kenya in addition to carrying on the business of trading of goods. TCIPL is trading soda ash of different grades in South East Asia and Middle East and also exploring opportunities in allied products in these markets.

During the year under review, TCIPL revenue was US\$ 61.24 million (₹ 400.93 crore) against US\$ 30.16 million (₹ 184.46 crore) in the previous year and other income representing dividend from wholly owned subsidiaries was US\$ 18.43 million (₹ 120.66 crore) [previous year US\$ 17.38 million (₹ 106.30 crore)]. Profit after tax for the year was US\$ 9.89 million (₹ 64.75 crore).

## 2. FERTILISER SEGMENT

During the year, the fertiliser business posted sales of ₹ 6,409.10 crore against ₹ 6,268.61 crore in the previous year.

### CROP NUTRITION AND AGRI BUSINESS (CNAB)

CNAB comprises two manufacturing units, i.e. Babrala Plant manufacturing Urea and Customised Fertilisers and the Haldia Plant producing Phosphatic Fertilisers like Di-ammonium Phosphate (DAP), NPK and Single Super Phosphate (SSP). In addition to these, the Company imports and sells bulk fertilisers like Muriate of Potash (MOP) and DAP. The Company

also supplies other products like Specialty Fertilisers, Organic Fertilisers, Seeds and Pesticides.

The CNAB's performance has been under considerable strain due to poor recent monsoons and an unfavourable cost structure at Haldia when compared to imported alternatives.

While the revenue grew marginally, EBITDA fell to ₹ 264 crore during the year from ₹ 341 crore in the previous year. The fall in Profit before tax has been much sharper from ₹ 129 crore in the previous year to ₹ (0.06) crore during the year due to tough market conditions and high outstanding subsidy from the Government.

### Urea

Babrula plant achieved a total Urea production of 12,30,819 tonnes, lower by 19,712 tonnes compared to the previous year. The specific energy consumption level of plant was 5.170 GCal / tonnes against 5.135 GCal /tonnes in the previous year.

### Complex Fertilisers (DAP / NPK / SSP)

Haldia plant achieved a combined production of 6,66,731 tonnes of DAP, NPKs and SSP during the year against the previous year's production of 8,68,157 tonnes. The sales of DAP, NPKs and SSP from the Haldia Plant was 7,25,852 tonnes against 7,89,292 tonnes in the previous year.

### Imported Products (DAP / MOP)

The Company sold imported DAP of 4,15,145 tonnes during the year against 3,30,488 tonnes in the previous year. MOP sale was at 1,10,986 tonnes against the previous year's sale of 1,23,306 tonnes.

### Specialty Crop Nutrients and Agri Inputs

Despite farmers being faced with a poor monsoon and depressed crop prices, the Company could marginally grow in this segment.

### Customised Fertilisers

The Company manufactures 3 grades of fertilisers applicable to Paddy, Potato and Sugarcane.

The sales of Customised Fertilisers during the year were 23,327 tonnes against 28,492 tonnes in the previous year. This being a new concept it would be promoted in a phased manner and the Company believes that this will slowly gain acceptance.

### Tata Kisan Sansar (TKS)

TKS, a dedicated network for distribution of agri inputs provides a trustworthy store offering "One Stop agri input

and services shop" to farmers. Apart from dealing in Primary Nutrients (Urea, DAP, MOP, NPK etc.), Specialty Fertilisers (Zinc sulphate, boron, micronutrients, calcium nitrate, organics, water soluble fertilisers, PGR etc.), Seeds (field crops, vegetable crops) and the entire range of Pesticides, they also act as active agents for knowledge transfer and adoption of best management practices. They provide direct connect with the farmers to understand their changing needs and tailor products and services accordingly. TKS offers farm advisory services, subsidised Soil Testing, Hello Krishi-mobile based agri information service, Smart Krishi- service offered to the farmer for certain critical farm operations with the use of latest technology and well researched farm practices.

## 3. OTHER AGRI INPUTS

**3.1** During the year, the other agri-inputs recorded revenues on standalone basis of ₹ 422.29 crore against ₹ 373.22 crore in the previous year, registering a growth of 13.15% over the previous year. The Company has expanded its network in new geographies in western and southern parts of India with increased focus on own brands.

### 3.2 Rallis India Limited (Rallis)

Rallis achieved a sales turnover of ₹ 1,727 crore on a consolidated basis for the year against ₹ 1,918 crore of the previous year. Profit before tax on consolidated basis was at ₹ 186 crore against ₹ 222 crore of the previous year. Net profit for the year was at ₹ 143 crore against ₹ 157 crore of the previous year.

FY 2015-16 witnessed very challenging times, with back to back drought years, accompanied by low farmer netbacks and tough market conditions. This had an adverse impact on the usage of crop protection products. Below normal rainfall and a later-than-normal withdrawal from northern and central parts of India pushed the countrywide cumulative rainfall deficiency to 14%. Rainfall deficit in 2015 affected crops spread over an area of 19 million hectare. Additionally, 3.2 million hectare of crop area was damaged by storms and floods since April. Key crops such as soya bean, cotton, paddy and pulses, on which the industry is dependent, were adversely impacted due to the drought. That apart, whitefly attack menace on cotton crop in northern India posed a serious threat to cotton growers this year, extensively damaging their crop. Government actions to contain the impact, by curbing sub-standard products being sold, led to overall slowdown in trade.

The International Business Division achieved sales of ₹ 402 crore in the current year, against ₹ 500 crore in the previous year.

## BOARD'S REPORT

## 4. OTHERS

During the year, the 'Others' comprising pulses, spices, water purifiers, nutritional solutions, etc. achieved a revenue of ₹ 461.90 crore against ₹ 283.47 crore in the previous year, registering a growth of 62.94%.

**Pulses**

In FY 2015-16, the Tata Sampann Pulses and Besan businesses grew by ~72% to reach a turnover of ₹ 411 crore. During the year, the product availability grew from 91,000 outlets to over 1,22,000 outlets in the key focus markets. The brand was successfully re-launched as Tata Sampann, with increased focus on brand building activities to generate consumer pull and distribution initiatives to ensure our products are present in the right outlets consistently. The Company also successfully established the 'low oil absorb' proposition for Tata Sampann Besan, making it a clearly differentiated offering in the market place.

At the sourcing end, as part of its 'Grow More Pulses' initiative, TCL engages with 4,00,000+ farmers in 10 districts across 3 states. The Company sees high stickiness from farmers associated with the program with regular advisory training programmes enabling farmers to achieve yield increases of 20-50% through the crop cycle.

**Spices**

Though almost 75% of the market is still unbranded, the branded segment is growing at a faster rate of 26% p.a. in terms of value. This shift from unbranded to branded segment is being driven by increasing need for convenience and hygiene. Within the branded spices market, Blends are expected to outgrow Pures in terms of value over the next 5 years due to increasing consumer adoption of Blends.

Tata Sampann spices made a successful launch in the month of October, 2015 after a test launch in Punjab, Haryana and Himachal Pradesh. The product has been launched after making a major packaging change and rebranding exercise with a product portfolio of 7 blended spices and 3 straight spices. Currently, Tata Sampann spices are available in 13 states across northern parts of the country and north east.

**Water Purifier**

Tata Swach non-electric storage water purifiers achieved sales of 3,94,455 units of purifiers and bulbs in aggregate as it continues to focus on making affordable drinking water solutions available to a large section of Indian Populace. It is estimated that the Tata Swach Silver nanotech storage water purifier range has touched over 1.7 million families and 8

million lives since inception with over 11 billion litres of water being purified over the past 6 years.

Water purifier business continues to expand its footprint in affordable drinking water segment through alternate marketing channels including NGOs.

**Nutritional Solutions**

FY 2015-16 was the first full year of operations of the green-field manufacturing unit at Sriperumbudur, near Chennai. During the year, the unit produced several variants of Fructo Oligosaccharide (FOS) and FOS based formulations and sold over 450 tonnes of FOS in India. The product is already being available across 92 Indian cities servicing 615 customers and product related feedback from customers has been positive resulting in repeat orders from many customers. Additionally, based on customer inputs, several complementary products have been added to the portfolio to maximise synergistic benefits. Overall, in this first full-year of operations, the business achieved a turnover of ₹ 8.09 crore.

**FINANCE**

During the year under review, the Company did not undertake any new long term financing and none of the existing long term facilities were due for renewal. The disbursement of fertiliser subsidy slowed during the second half of the financial year, causing elevated levels of working capital. The outstanding balance of subsidy receivables as on 31st March, 2016 was ₹ 1,901.33 crore (31 March, 2015: ₹ 1,971.64 crore). The working capital funding requirement has been met mainly through buyers' credit. The outstanding balance of buyers' credit as on 31st March, 2016 was ₹ 1,294.32 crore (31st March 2015: ₹ 915.54 crore). Despite the continuous pressure on working capital, mainly due to the level of subsidy outstanding, the Company was able to contain interest costs through the competitive sourcing of working capital borrowings and active cash management. The overall interest cost during the year was ₹ 194.47 crore, slightly higher by ₹ 7.69 crore compared to the previous year.

During the year, Rallis, a subsidiary of the Company and IMACID, a joint venture, paid dividends of ₹ 19.25 crore (FY 2014-15: ₹ 23.36 crore) and ₹ 14.60 crore (FY 2014-15: ₹ 43.97 crore) respectively to the Company. TCNA Inc., step down subsidiary of the Company, paid a dividend of US\$ 20 million (₹ 130.94 crore) (FY 2014-15: US\$ 20 million ₹ 122.32 crore) which has been mainly utilised towards operational requirements and intra group finance costs at TCIPL, Singapore.

The Company's subsidiary TCEHL refinanced its bridge facilities with five year term and revolver credit facilities aggregating to GBP 140 million.

The Company's credit ratings were not changed by any of the rating agencies. As on 31st March 2016, the Company had the following credit ratings:

- A Corporate Family Rating of Ba1/Stable from Moody's Investors Service
- Foreign Currency Long-Term Issuer Default Rating (IDR) of BB+ with Stable outlook from Fitch Ratings
- INR denominated Non-Convertible Debentures of 250 crore are rated at AA+ by CARE Ratings and BWR AA+ (Stable) by Brickwork Ratings.
- Long term bank facilities (i.e. fund based working capital facilities) of ₹ 765 crore and short term bank facilities of ₹ 3,580 crore are rated at AA+ and A1+, respectively, by CARE Ratings.
- Short term debt programme of ₹ 100 crore is rated at A1+ by CRISIL Ratings.

### RELATED PARTY TRANSACTIONS

All related party transactions entered into during FY 2015-16 were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Further, there were no transactions with related parties which qualify as material transactions under the Listing Regulations.

All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approvals are granted by the Audit Committee for related party transactions which are of repetitive nature, entered in the ordinary course of business and are on arm's length basis in accordance with the provisions of the Act read with the Rules issued thereunder and the Listing Regulations.

The policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is available on the Company's website at the link: [http://tatachemicals.com/investors/policies/pdf/tcl\\_rpt\\_policy.pdf](http://tatachemicals.com/investors/policies/pdf/tcl_rpt_policy.pdf). There are no transactions to be reported in Form AOC-2.

The details of the transactions with related parties are provided in the accompanying financial statements.

### RISK MANAGEMENT POLICY

Risk management policy of the Company promotes a proactive approach in reporting, evaluating and mitigating risks associated with

the business. Mechanisms for identification and prioritisation of risks include business risk environment scanning and focused discussions in the Risk Management Group (at Senior Management Level) and Risk Management Committee meetings.

Identified risks are used as one of the key inputs for the development of strategy and business plan. The respective risk owner selects a series of actions to align risks with the Company's risk appetite and risk tolerance levels to reduce the potential impact of the risk should it occur and/or to reduce the expected frequency of its occurrence. Mitigation plans are finalised, owners are identified and progress of mitigation actions are monitored and reviewed.

Although non-mandatory, the Company has constituted a Risk Management Committee (RMC) to oversee the risk management efforts in the Company under the Chairmanship of Mr. E. A. Kshirsagar, Independent Director. The details of the Committee along with its terms of reference are set out in the Corporate Governance Report, forming part of the Annual Report.

A risk assessment update is provided to the RMC on periodical basis. The Committee assists the Audit Committee and the Board of Directors in overseeing the Company's risk management processes and controls. Some of the risks identified are set out in the Management Discussion and Analysis which forms part of the Annual Report.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR, Safety and Sustainability Committee has formulated, and recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company as approved by the Board.

The Company has taken up area specific need based CSR activities and has ensured participation of key stakeholders like community, NGOs, government departments etc. The focus of the Company is to reach out to marginalised and deprived section of the society and bridge the gap between the haves and have nots.

The Company's overall CSR initiatives called BEACoN focusses on the following sectors and issues:

**Blossom** : Promotion and development of traditional handicrafts including support to artisans through clusters and self-help groups

**Enhance** : Poverty alleviation, livelihood enhancement and infrastructure support, including programs on agriculture growth, animal husbandry development and promotion of social enterprises

**Aspire** : Education and vocational skill development

## BOARD'S REPORT

**Conserve :** Environment sustainability by investing in bio-diversity, natural resource management, awareness and environmental education, and mitigation of climate change impacts

**Nurture :** Health care, nutrition, sanitation and safe drinking water

In addition, the Company will promote women's empowerment and inclusion along with responding to any disasters, depending upon where they occur and its ability to respond meaningfully.

The CSR policy is available on the Company's website at the link: [http://tatachemicals.com/sustainability/downloadcsr\\_policy.pdf](http://tatachemicals.com/sustainability/downloadcsr_policy.pdf). The Annual Report on CSR activities is enclosed as **Annexure 1** to this Report.

### WHISTLEBLOWER POLICY AND VIGIL MECHANISM

The Company has adopted a Whistleblower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and its stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. Protected disclosures can be made by a whistleblower through several channels. The policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

Sr. No.	Name of Party	Nature of Transaction	(₹ in lac)
1.	Global Innovation & Technology Alliance	Investment in Equity Shares	50.00
2.	Bio Energy Venture - 1 (Mauritius) Pvt. Ltd.	Investments in Preference Shares	19.83
3.	Tata Motors Limited	Investment in Equity Shares (Rights issue)	461.65
4.	Water Quality India Association	Investment in Equity Shares	0.71

During the year, the Company provided a corporate guarantee on behalf of homefield UK Pvt. Ltd. of ₹ 357.78 crore.

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in the notes to the financial statements.

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the consolidated financial statements of the Company. A statement containing the salient features of the financial statements of the subsidiary companies is attached to the Financial Statements in Form AOC-1.

Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

The details of the policy are given in the corporate governance report and also posted on the website of the Company viz. [www.tatachemicals.com](http://www.tatachemicals.com).

### PREVENTION OF SEXUAL HARASSMENT (POSH)

The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules.

No complaints of sexual harassment were received during the year. More than 30 sessions were conducted across locations covering permanent, contractual and third party. Two sessions conducted for capability building of POSH committee members. Online awareness training continued covering more than 80% leadership team, management, officer and POSH members.

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has not given any loans during the year. The details of investments made during the year are given hereunder -

The annual accounts of the subsidiaries and related detailed information will be kept at the registered office of the Company, as also at the registered offices of the respective subsidiary companies and will be available to investors seeking information till the date of AGM.

### SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on 31st March, 2016, the Company had 40 (direct and indirect) subsidiaries (4 in India and 36 overseas), 5 joint venture companies and 1 associate company.

During the year, General Chemicals Great Britain Limited ceased to exist with effect from 16th June, 2015.

The Company's policy on material subsidiaries, as approved by the Board, is uploaded on the Company's website at the link: [http://tatachemicals.com/investors/policies/pdf/material\\_subsidary.pdf](http://tatachemicals.com/investors/policies/pdf/material_subsidary.pdf).

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as per the Act is provided in Form AOC-1 attached to the Financial Statements.

The Company's wholly owned subsidiary, Bio Energy Venture - 1 (Mauritius) Pvt. Ltd has entered into a Definitive Agreement ('Agreement') for sale of its entire stake in Grown Energy Zambeze Holdings Pvt. Ltd, Mauritius ('GEZ Mauritius') for a consideration of US\$ 5.5 million subject to fulfillment of certain conditions laid down in the Agreement ('Closing Date'). The consideration for the said transaction will be discharged on deferred payment basis over a period of 5 years ending on 31st December, 2020.

GEZ Mauritius is the holding company of Grown Energy Zambeze Limitada ('GEZ Ltda'), which owns the Company's biofuel assets in Mozambique. The Company, through its subsidiaries, owns 95% stake in GEZ Ltda.

Upon the Closing Date, the Company will exit from the Biofuel business in Mozambique.

#### **DETAILS OF SIGNIFICANT MATERIAL ORDERS**

No significant and material orders were passed by the regulators or the courts or tribunals impacting the going concern status and Company's operations in future.

#### **INTERNAL FINANCIAL CONTROLS**

Internal financial control systems of the Company are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards and relevant statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Company has a well-defined delegation of power with authority limits for approving revenue as well as expenditure, both capital and revenue. The Company uses an established ERP system to record day to day transactions for accounting and financial reporting.

The Company's internal audit function monitors and assesses the adequacy and effectiveness of the Internal Financial Controls. The Audit Committee deliberated with the members of the management, considered the systems as laid down and met the internal auditors and statutory auditors to ascertain, inter alia, their views on the internal financial control systems. The Audit Committee satisfied itself of the adequacy and effectiveness of the internal financial control system as laid down and kept the Board of Directors informed.

Details of internal control system are given in the Management Discussion and Analysis Report, which forms part of the Report.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### **Directors**

##### **Appointment/Re-appointment**

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. R. Mukundan, Managing Director of the Company, retires by rotation at the ensuing AGM, and being eligible, has offered himself for re-appointment.

On the recommendation of the Nomination and Remuneration Committee, Mr. Bhaskar Bhat was appointed as an Additional Director of the Company with effect from 20th October, 2015. In accordance with Section 161 of the Act, Mr. Bhaskar Bhat holds office upto the date of the forthcoming AGM of the Company and being eligible, offer his candidature for appointment as Director. Your approval for his appointment as Director has been sought in the Notice convening the forthcoming AGM of the Company.

On the recommendation of the Nomination and Remuneration Committee, Dr. Nirmalya Kumar was appointed as an Additional Director of the Company with effect from 26th May, 2016. In accordance with Section 161 of the Act, Dr. Nirmalya Kumar holds office upto the date of the forthcoming AGM of the Company and being eligible, offer his candidature for appointment as Director. Your approval for his appointment as Director has been sought in the Notice convening the forthcoming AGM of the Company.

##### **Retirement /Resignation**

In accordance with the Tata Group retirement policy for Board of Directors, Mr. R. Gopalakrishnan, Vice Chairman on the Board, retired on 25th December, 2015, after attaining the retirement age of 70 years. The Board of Directors place on record their deep appreciation for the valuable guidance and immense contribution made by Mr. Gopalakrishnan as the Vice-Chairman and Director of the Company.

Mr. Prasad R. Menon, Director of the Company, resigned from the services of the Company with effect from 21st October, 2015. The Board of Directors place on record their deep appreciation for the valuable guidance and immense contribution made by Mr. Menon during his tenure as the Director of the Company.

Mr. P. K. Ghose retired from the Board of the Company as Executive Director and CFO effective 30th September, 2015 after attaining superannuation age of 65 years in accordance with the Tata Group retirement policy adopted by the Company. The Board of Directors place on record their deep appreciation for the contributions made by Mr. Ghose during his tenure as Executive Director and CFO.

##### **Independent Directors**

The Independent Directors hold office for a fixed term of five years or until their completing 75 years, whichever is earlier and are not liable

## BOARD'S REPORT

to retire by rotation in terms of Section 149(13) the Act. In accordance with Section 149(7) of the Act, each Independent Director has given a written declaration to the Company confirming that he/she meets the criteria of independence as mentioned under Section 149(6) of the Act and the Listing Regulations.

Details of Familiarisation programme for Independent Director is provided separately in the Corporate Governance Report.

### Key Managerial Personnel (KMP)

Mr. John Mulhall has been appointed as the Chief Financial Officer and KMP with effect from 20th October, 2015 after the retirement of Mr. P. K. Ghose as Executive Director and CFO.

Mr. R. Mukundan, Managing Director and Mr. Rajiv Chandan, General Counsel & Company Secretary are the other KMP as per the definition under Section 2(51) and Section 203 of the Act.

### Governance Guidelines

The Company has adopted Governance Guidelines on Board Effectiveness. The Governance Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Director remuneration, subsidiary oversight, code of conduct, Board effectiveness review and mandates of Board committees.

### Procedure for Nomination and Appointment of Directors

The Nomination and Remuneration Committee (NRC) is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing the profiles of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

### Criteria for Determining Qualifications, Positive Attributes and Independence of a Director

The NRC has formulated the criteria for determining qualifications,

positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Act and the Listing Regulations. The relevant information has been given in **Annexure 2** which forms part of the Board's Report.

### Board Evaluation

Pursuant to the provisions of the Act and the corporate governance requirements prescribed under the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, and that of its Committees and Individual Directors.

The performance of the Board and individual Directors was evaluated by the Board after seeking inputs from all the directors. The criteria for performance evaluation of the Board included aspects such as Board composition and structure, effectiveness of Board processes, contribution in the long term strategic planning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members. The criteria for performance evaluation of the committees included aspects such as composition of committees, effectiveness of committee meetings, etc.

The Board and the NRC reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors, at which the feedback received from the Directors on the performance of the Board, its Committees and individual directors was also discussed.

### REMUNERATION POLICY

The Company has in place a Remuneration Policy for the Directors, KMP and other employees pursuant to the provisions of the Act and the Listing Regulations which is set out in Annexure 3 which forms part of the Board's Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultant(s), including audit of internal financial controls

over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the FY 2015-16.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORTS

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis and the Corporate Governance Report are presented in a separate section forming part of the Annual Report.

### INFORMATION TECHNOLOGY (IT)

The Company's IT infrastructure is continuously reviewed and renewed in line with the business requirements and technology enhancements. The Company has implemented common ERP programme across all its wholly owned operating subsidiaries. To support the growth of its Consumer Products Business, the Company is implementing a Warehouse Management Solution. A cloud based platform to enhance collaboration within various functions and businesses has been implemented. The Company has enabled

its field force with mobile based applications to provide better and timely service to customers. A comprehensive data structure is being put in place to support business decision making.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed pursuant to the provisions of Section 134 of the Act read with the Companies (Accounts) Rules, 2014, are provided in **Annexure 4** to this Report.

### PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as **Annexure 5** to this Report.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Further, the Report and the Accounts are being sent to the members excluding the aforesaid statement. In terms of Section 136 of the Companies Act, 2013, the said statement is open for inspection at the Registered Office of your Company. Any members interested in obtaining such particulars may write to the General Counsel & Company Secretary at the Registered Office of the Company.

### AUDITORS

#### I. Auditors and their report:

In the AGM held on 21st August, 2014, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (DHS LLP) were appointed as Statutory Auditors of the Company for a period of three years. At the AGM held on 11th August, 2015, the shareholders ratified the appointment of DHS LLP for a period of one year. Ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed to this Report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

#### II. Cost Auditors and Cost Audit report:

As per the Cost Audit Orders, Cost Audit is applicable to the Company's products i.e. Fertilisers, Mineral products including cement and Inorganic chemicals.

## BOARD'S REPORT

In view of the same and in terms of the provisions of Section 148 and all other applicable provisions of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. N.I. Mehta & Co; and M/s. Ramanath Iyer and Co; Cost Accountants have been appointed as Cost Auditors to conduct the audit of cost records of your Company for the FY 2016-17. The remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing AGM.

### III. Secretarial audit

In terms of Section 204 of the Act and Rules made there under, M/s. Parikh & Associates, Practising Company Secretaries have been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as **Annexure 6** to this Report. The report is self-explanatory and do not call for any further comments.

## DISCLOSURES

### i. Details of Board meetings

During the year, 8 (eight) Board meetings were held and the details of which are provided in the Corporate Governance Report.

### ii. Composition of Audit Committee:

The Audit Committee comprises 3 (three) Members all of which are Independent Directors. Dr. Nirmalya Kumar, Non-executive Director, was inducted as a member of the Audit Committee effected 26th May, 2016. During the year, 8 (eight) Audit Committee meetings were held and the details of which are provided in the Corporate Governance Report.

### iii. Composition of CSR, Safety and Sustainability Committee

The Committee comprises 4 (four) Members out of which 2 (two) (including the Chairman) are Independent Directors. During the year, 4 (four) CSR, Safety and Sustainability Committee meetings were held and the details of which are provided in the Corporate Governance Report.

### iv. Listing Regulations

The Securities and Exchange Board of India (SEBI) has, by its notification dated 2nd September, 2015, issued the (Listing Obligations and Disclosure Requirements) Regulations, 2015 with an aim to consolidate and streamline the provisions of the

Listing Regulations for different segments of capital markets to ensure better enforceability. The Regulations became effective from 1st December, 2015 and have replaced the Listing Agreements. Accordingly, all listed entities were required to enter into the Listing Agreement within 6 (six) months from the effective date. The Company has entered into Listing Agreement with BSE Limited and the National Stock Exchange of India Limited during the month of January, 2016.

Pursuant to the Listing Regulations, the following policies were approved and adopted by the Board:

- (i) Policy on determination of Materiality for disclosures of events or information.
- (ii) Policy for preservation of documents, to classify documents in two categories, viz. documents which need to be preserved permanently and documents which need to be preserved for not less than 8 years after completion of the relevant transactions.
- (iii) Archival Policy, to determine the period, for which information is required to be disclosed on the Company's website.

Policy on Materiality and Archival Policy are also available on the website of the Company under 'Investor Relations' section.

## EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return in Form MGT 9 is enclosed as **Annexure 7** to this Report.

## ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the continued support and co-operation by Financial Institutions, Banks, Government authorities and other stakeholders. Your Directors also acknowledge the support extended by the Company's Unions and all the employees for their dedicated service.

On behalf of the Board of Directors

**CYRUS P. MISTRY**  
Chairman

Mumbai, 26th May, 2016

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(Pursuant to Section 135 of the Act & Rules made thereunder)

### A. CSR Report:

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Tata Chemicals Limited ('the Company') is committed to upholding the highest standards of CSR. We endorse the Tata Group purpose of improving the quality of life of the communities we serve through long term stakeholder value creation. We believe in positively impacting the environment and supporting the communities we operate in, focusing on sustainability of our programs and empowerment of our communities.  The Company has framed a CSR Policy in compliance with the provisions of the Act, which is available on the Company's website and the web link for the same is <a href="http://www.tatachemicals.com/Sustainability/downloads/csr_policy.pdf">http://www.tatachemicals.com/Sustainability/downloads/csr_policy.pdf</a> .
2.	The Composition of the CSR Committee.	i. Dr. Y. S. P. Thorat (Chairman) ii. Mr. Nasser Munjee iii. Mr. Bhaskar Bhat iv. Mr. R Mukundan
3.	Average net profit of the Company for last three financial years	₹ 616.80 crore (as per Section 198 of the Act)
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 12.34 crore
5.	Details of CSR spent for the financial year:	
a.	Total amount spent for the financial year	₹ 13.97 crore
b.	Amount unspent, if any:	Nil
c.	Manner in which the amount spent during the financial year is detailed below:	The manner in which the amount spent is detailed in Part B to the Annexure.  In addition to the amount spent in the FY 2015-16, an amount of ₹ 1.46 crore which remained unspent in the previous year was utilised during the year.
6.	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	NA
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

BOARD'S REPORT

B. CSR expenditure for FY 2015-16

Sl. No.	CSR project / Activity Identified	Sector in which the Project is covered	Location of the Projects or Programs	Amount Outlay and Budget (₹ in lac)	Carry over Budget (₹ in lac)	Total Budget (₹ in lac)	Amount spent on Projects or Programs (₹ in lac)	Cumulative Expenditure upto reporting period (as on 31st March, 2016) (₹ in lac)	Amount spent
			Local Area/ District and State				Direct on Project / Overheads		Direct by Organisation / Implementing agency
1.	Okhai and Cluster development program	Promotion and development of traditional handicrafts	Mithapur: Devbhoomi Dwarka, Gujarat Babrala: Sambal, Uttar Pradesh Haldia: Midnapur, West Bengal	114.35	-	114.35	101.20	101.20	<b>Amount spent through the following channels:</b> • Direct, Internal and External Implementation Agencies.
2.	Poverty alleviation programs	Poverty alleviation, livelihood enhancement and infrastructure support	Mithapur: Devbhoomi Dwarka, Gujarat Babrala: Sambal, Uttar Pradesh Haldia: Midnapur, West Bengal	179.65	-	179.65	142.64	142.64	<b>Direct:</b> • Tata Chemicals  <b>Implementation Agencies Internal:</b> • Tata Chemicals Society for Rural Development (TCSRSD)
3.	Infrastructure support program	Infrastructure support	Mumbai : Maharashtra NCR: Delhi	94.28	12.00	106.28	87.29	87.29	• OKHAI- Centre for Empowerment • UDAY Foundation • Tata Chemicals Golden Jubilee Trust (TCGJT) • Employee volunteers
4.	Education and vocational skill development programs	Education and vocational skill development	Mithapur: Devbhoomi Dwarka, Gujarat 6 districts, Gujarat Babrala: Sambal, Uttar Pradesh Haldia: Midnapur, West Bengal Bhopal: Madhya Pradesh, Mumbai: Maharashtra, Patna: Bihar, Ahmedabad: Gujarat, Bengaluru: Karnataka	144.26	100.00	244.26	226.37	226.37	<b>Implementation Agencies External:</b> • Government agencies • Local Panchayats • NGOs Community based organisation • Skill development agencies • Environment Conservation Groups • Other Resource agencies
5.	Natural Resource Management and Dharti Ko Arpan	Environmental Sustainability	Mithapur: Devbhoomi Dwarka, Gujarat Babrala: Sambal, Uttar Pradesh Haldia: Midnapur, West Bengal Mumbai : Maharashtra NCR: Delhi	305.00	82.00	387.00	335.36	335.36	• Government agencies • Local Panchayats • NGOs Community based organisation • Skill development agencies • Environment Conservation Groups • Other Resource agencies
6.	Health care, drinking water and sanitation projects	Health care, nutrition, sanitation and safe drinking water	Mithapur: Devbhoomi Dwarka, Gujarat Babrala: Sambal, Uttar Pradesh Haldia: Midnapur, West Bengal Mumbai : Maharashtra NCR: Delhi	137.14	100.00	237.14	218.27	218.27	

Sl. No.	CSR project / Activity Identified	Sector in which the Project is covered	Location of the Projects or Programs	Amount Outlay and Budget (₹ in lac)	Carry over Budget (₹ in lac)	Total Budget (₹ in lac)	Amount spent on Projects or Programs (₹ in lac)	Cumulative Expenditure upto reporting period (as on 31st March, 2016) (₹ in lac)	Amount spent
			Local Area/ District and State				Direct on Project / Overheads		Direct by Organisation / Implementing agency
7.	Affirmative action for the socially backward communities and self-help group promotion	Inclusive growth and empowerment	Mithapur: Devbhoomi Dwarka, Gujarat Babralla: Sambal, Uttar Pradesh Haldia: Midnapur, West Bengal	148.52	-	148.52	146.01	146.01	<b>Amount spent through the following channels:</b> • Direct, Internal and External Implementation Agencies.  <b>Direct:</b> • Tata Chemicals  <b>Implementation Agencies Internal:</b> • Tata Chemicals Society for Rural Development (TCSRSD) • OKHA!- Centre for Empowerment • UDAY Foundation • Tata Chemicals Golden Jubilee Trust (TCGJT) • Employee volunteers  <b>Implementation Agencies External:</b> • Government agencies • Local Panchayats • NGOs Community based organisation • Skill development agencies • Environment Conservation Groups • Other Resource agencies
8.	Technology incubation and pilots (UD Project)	Innovation Technology	Babralla: Sambal, Uttar Pradesh	3.20	-	3.20	4.93	4.93	
9.	Need Based (Disaster and other relief)/ donations	Chennai Flood Relief	Tamil Nadu	85.98	-	85.98	85.98	85.98	
10.	Administration and miscellaneous expenses	-	-	20.70	10.00	30.70	49.42	49.42	
<b>TOTAL</b>				<b>1,233.08</b>	<b>304.00</b>	<b>1,537.08</b>	<b>1,397.47</b>	<b>1,397.47</b>	
<b>Non-CSR</b>									
1.	Need Based (Disaster & other relief)/ donations	Nepal Earthquake Relief	Nepal	-	-	-	73.02	73.02	
<b>TOTAL</b>				<b>1,233.08</b>	<b>304.00</b>	<b>1,537.08</b>	<b>1,470.49</b>	<b>1,470.49</b>	

**R. Mukundan**  
Managing Director

**Dr. Y. S. P. Thorat**  
Chairman - CSR, Safety and Sustainability Committee

Mumbai, 26th May, 2016

## CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS

### 1. Definition of Independence

- A director will be considered as an "independent director" (ID) if the person meets with the criteria for 'independent director' as laid down in the Companies Act, 2013 ('the Act') and Listing Regulations, 2015.
- The definition of Independence as provided in the Act and Listing Regulations, 2015 is as follows:
 

"An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director -

  - (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - (b)
    - (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
    - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
  - (c) who has or had no pecuniary relationship with the company, its holding subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
  - (e) who, neither himself nor any of his relatives-
    - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
    - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of -
      - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
      - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
    - (iii) holds together with his relatives 2% or more of the total voting power of the company; or
    - (iv) is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
    - (v) is a material supplier, service provider or customer or a lessor or lessee of the company;
    - (f) who is not less than 21 years of age."
  - Current and ex-employees of a Tata company may be considered as independent only if he/ she has or had no pecuniary relationship with any Tata company (due to employment/ receipt of monthly pension by way of Special Retirement Benefits/ holding consultant or advisor positions) during the two immediately preceding financial years or during the current financial year.

### 2. Qualifications of Directors

- Boards will ensure that a transparent board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender.

<sup>1</sup> "Tata Company" shall mean every company in which Tata Sons Limited or Tata Industries Limited or any company promoted by Tata Sons Limited or Tata Industries Limited is promoter or a company in which such companies whether singly or collectively hold directly or indirectly 26% or more of the paid-up equity share capital OR in which the shareholding of such companies represents the largest Indian holding apart from holdings of financial institutions/ mutual funds OR a company which is permitted by Tata Sons Limited to use the Tata brand name.

- It is expected that Boards have an appropriate blend of functional and industry expertise.
- While recommending appointment of a director, it is expected that the Nomination and Remuneration Committee (“NRC”) consider the manner in which the function and domain expertise of the individual contributes to the overall skill-domain mix of the Board.
- ID ideally should be thought/ practice leaders in their respective functions/ domains.

### 3. Positive attributes of Directors

Directors are expected to comply with duties as provided in the Act. For reference, the duties of the Directors as provided by the Act are as follows:

- 1) “Act in accordance with the articles of the company.
- 2) Act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- 3) Exercise duties with due and reasonable care, skill and diligence and exercise independent judgment.
- 4) Not be involved in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- 5) Not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.
- 6) Not assign his office.”

Additionally, the Directors on the Board of a Tata Company are also expected to demonstrate high standards of ethical behaviour, strong interpersonal and communication skills and soundness of judgment.

IDs are also expected to abide by the ‘Code for Independent Directors’ as outlined in Schedule IV to section 149(8) of the Act and adopted by the Board. The

Code specifies the guidelines of professional conduct, role and function and duties of Independent Directors. The guidelines of professional conduct specified in the Code are as follows:

“An independent director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a bona fide manner in the interest of the company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- 6) not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- 7) refrain from any action that would lead to loss of his independence;
- 8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- 9) assist the Company in implementing the best corporate governance practices.”

**On behalf of the Board of Directors**

**CYRUS P. MISTRY**  
Chairman

Mumbai, 26th May, 2016

## REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of Tata Chemicals Limited ("the Company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and Listing Regulations, 2015. In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals"

Key principles governing this remuneration policy are as follows:

### ➤ **Remuneration for independent directors and non-independent non- executive directors**

- Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the

Company (taking into consideration the challenges faced by the Company and its future growth imperatives).

- Overall remuneration should be reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognised best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organised by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

### ➤ **Remuneration for managing director ("MD")/ executive directors ("ED")/ KMP/ rest of the employees<sup>1</sup>**

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be-

- Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent)
- Driven by the role played by the individual
- Reflective of size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay
- Consistent with recognised best practices and
- Aligned to any regulatory requirements.

In terms of remuneration mix or composition,

- The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- In addition to the basic/ fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimisation, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalisation through reimbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
- The Company provides retirement benefits as applicable.

- In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.
- The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

➤ **Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

➤ **Policy implementation**

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

**On behalf of the Board of Directors**

**CYRUS P. MISTRY**  
Chairman

Mumbai, 26th May, 2016

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

**(A) CONSERVATION OF ENERGY****(i) Steps Taken or Impact on Conservation of Energy:**

- Reduction of unburnt carbon in fly ash and bed ash High Pressure Boiler
- Improvement of throughput in cement raw mill
- Lime kiln brick lining
- Steam Jet Refrigeration (SJR) condenser replacement
- Replacement of Make up Water preheater and heater body replacement
- Installation of 2 Variable Frequency Drive with 1 standby for Phosphoric Acid Plant (PAP) scrubber fan motor in fan feeder
- Increase in reactor pressure and temperature to increase the production throughput which leads to specific consumption of energy
- 750 air pressure tubes replaced in service boiler to improve heat transfer efficiency.
- Dry ice cleaning of waste heat recovery coils in ammonia plant primary reformer and fire heater to improve heat transfer effectiveness.
- Replacement of low efficiency light fitting with efficient LED light fitting
- Variable feed drives installation for major rotary drives
- Reduced number of tube lights and replacement of CFLs with LED
- Steam condensate recovery from evaporator
- Vacuum pump water recovery
- Seal water recovery
- Process condensate recovery

**(ii) Steps taken by the Company for utilising alternate sources of energy:**

- Solar lighting
- Wind mill
- Installation of solar photovoltaic Cells of 100 KW power rating
- Use of biomass in hot air generator in Complex Phosphatic Fertiliser (CPF) plant

**(iii) Capital Investment on Energy Conservation Equipment:**

		(₹ in crore)
Sr. No.	Description	Investment
1.	Lime kiln brick lining	2.35
2.	Make up Water heater body replacement	2.00
3.	Installation of 2 variable frequency drive	0.42
4	Energy conservation equipment	0.95
<b>Total</b>		<b>5.72</b>

**(B) TECHNOLOGY ABSORPTION****(i) Efforts made towards Technology Absorption:**

- Production of Kainite type mixed salt from sea bitterns.
- Commissioned 3 TPD Sulphur of Potash (SOP) test bed pilot plant.
- Commissioned Magnesium Oxide test bed pilot plant.

- Nano-magnesium hydroxide lab test in progress
- New dehumidifier and chiller was procured to provide dehumidified process air for spray drying application.

**(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:**

- Data generation for process scale up and commercial plant feasibility evaluation for the production of SOP from sea bitters.
- Research and Development efforts to attain objectives of cost reduction, energy conservation, waste minimisation / recycling and reuse, related value added products, reduction in carbon footprints for environmental improvement
- Product quality and yield improvement. Product quality in terms of consistent bulk density and moisture content as same quality of air shall be available. Product yield or recovery improved upto 90% average against 70% average.

**(iii) Imported technology (imported during the last three years reckoned from the beginning of the financial year):**

(a)	The details of technology imported	Salt harvester by M/s Viemka Greece	Bicarb Pelletizer by Concetti	Chiller units from DAIKIN to aid dehumidifier
(b)	The year of import	2014	2015	2015
(c)	Whether the technology has been fully absorbed	Yes	Yes	Yes
(d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NA	NA	NA

**(iv) Expenditure incurred on Research and Development:**

	(₹ in crore)	
	2015-16	2014-15
Capital expenditure	8.35	51.12
Revenue expenditure	30.62	23.11
	<b>38.97</b>	<b>74.23</b>
Total R&D expenditure as a percentage of net sales	<b>0.37%</b>	<b>0.74%</b>

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows:

		(₹ in crore)	
Sr. No.		2015-16	2014-15
1.	Foreign Exchange Earned	65.79	104.00
2.	Outgo of Foreign Exchange	3,192.42	4,168.82

On behalf of the Board of Directors

**CYRUS P. MISTRY**  
Chairman

Mumbai, 26th May, 2016

**DISCLOSURE OF MANAGERIAL REMUNERATION**

[Pursuant to Section 197 of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**A. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the FY 2015-16 as well as the percentage increase in remuneration of each Director, Chief Financial Officer (CFO) and Company Secretary is as under:**

Name of Director	Ratio to median remuneration	% increase in remuneration over previous year
<b>Non-Executive Directors</b>		
Mr. Cyrus P. Mistry	0.76 :1	50.00 <sup>^</sup>
Mr. R. Gopalakrishnan (Retired w.e.f. 25th December, 2015)	18.07:1	64.05
Mr. Nusli N. Wadia	7.01:1	3.59
Mr. Prasad R. Menon (Resigned w.e.f. 21st October, 2015)	5.40:1	2.04
Mr. Nasser Munjee	11.1: 1	10.18
Mr. E. A. Kshirsagar	8.04:1	4.93
Dr. Y. S. P.Thorat	8.18:1	1.00
Ms. Vibha Paul Rishi	3.85:1	62.12
Mr. Bhaskar Bhat (Appointed w.e.f. 20th October, 2015)	2.43:1	N.A.
<b>Executive Directors</b>		
Mr. R. Mukundan, Managing Director	80.33:1	12.42
Mr. P. K. Ghose, Executive Director and CFO (Retired w.e.f. 30th September, 2015)	41.58:1	(26.14)*
<b>Key Managerial Personnel</b>		
Mr. John Mulhall, Chief Financial Officer (Appointed as KMP w.e.f 20th October, 2015)	-	N.A.
Mr. Rajiv Chandan, General Counsel & Company Secretary	-	14.66

Note : Remuneration includes sitting fees and commission. Commission relates to the financial year ended 31st March, 2016, which will be paid during FY 2016-17

<sup>^</sup> Includes only sitting fees as Mr. Mistry has not accepted any commission

\* Part of the year and excludes retiral benefits paid

**B. Percentage increase in the median remuneration of employees in the FY 2015-16: 15.7%**

**C. Number of permanent employees on the rolls of the Company as on 31st March, 2016: 3,102**

**D. Explanation on the relationship between average increase in remuneration and Company performance:**

The alignment between the performance of the Company and employee remuneration is built into the design of the compensation and reward policies. The Company's compensation philosophy is based on the principle of Pay for Performance while maintaining internal equity and external parity. In the design of the Company's Performance Management System (PMS), the business goals set in the beginning of the year are cascaded from the Company's strategic objectives and further deployed to the individuals as Key Result Areas for the year. Post the completion of the annual appraisal process, the final performance grade is used as an input to compute the annual compensation revision as well as performance pay applicable to the individual. The salary increases are a function of market competitiveness in the relevant sector, as well as the Company's overall business strategy and affordability. The Performance Pay Scheme for Officers and above has different weightages appropriately assigned to the Company, SBU / Function and individual performance factors across varying levels reflecting the role and responsibilities.

**E. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2015-16 (₹ crore)	8.61
Revenue (₹ crore)	10,650
Remuneration of KMPs (as % of revenue)	0.08
Profit before Tax (PBT) (₹ crore)	802
Remuneration of KMP (as % of PBT)	1.07

**F. Details of share price and market capitalisation:**

The details of variation in the market capitalisation and price earnings ratio as at the closing date of the current and previous financial years are as follows:

	As on 31st March, 2016	As on 31st March, 2015	% Change
Market Capitalisation (₹ crore)	9,520	11,300	(15.75)
Price Earnings Ratio	16.01	17.71	(9.59)

**Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies:**

The last public issue was in 1990 by way of Partly Convertible Debentures which were converted into ordinary shares of ₹ 10 each at a premium of ₹ 40, aggregating ₹ 50 per ordinary share, in FY 1993-94. The Company had issued bonus shares to its members in the ratio 3:5 in the FY 1995-96. Accordingly, the share price per ordinary shares is adjusted post bonus issue. The closing market price of the ordinary shares of the Company as on 31st March, 2016 on the National Stock Exchange of India Limited was ₹ 373.70 per share of face value of ₹ 10 each, representing an increase of 1,096% over the period.

**G. Comparison of average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration:**

	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	12.36
Average increase in remuneration of managerial personnel	(4.57*)

\* Impacted due to retirement of Mr. P. K. Ghose, Executive Director & CFO in September 2015

**H. Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:**

	Mr. R. Mukundan	Mr. P. K. Ghose*	Mr. John Mulhall**	Mr. Rajiv Chandan
	Managing Director	Executive Director & CFO	Chief Financial Officer	General Counsel & Company Secretary
Remuneration in FY 2015-16 (₹ crore)	4.46	2.31	0.86	0.98
Revenue (₹ crore)			10,650	
Remuneration of each KMP as % of Revenue	0.042	0.022	0.008	0.009
Profit Before Tax (₹ crore)			802	
Remuneration of each KMP as a % of PBT	0.56	0.29	0.11	0.12

\* Retired w.e.f. 30th September, 2015 and excludes retiral benefits paid

\*\* Appointed as KMP w.e.f. 20th October, 2015

**I. Key parameters for the variable component of remuneration availed by the Directors:**

**Remuneration paid to Non-Executive Directors:**

The variable component of Non-Executive Directors' remuneration consists of commission. The distribution of commission among the Non-Executive Directors is recommended by the Nomination and Remuneration Committee (NRC) and approved by the Board. The NRC will recommend to the Board the quantum of commission for each Director based on the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee meetings, role and responsibility as Chairman/member of the Board/Committee, individual contributions at the meetings and contributions made by Directors other than in meetings.

**BOARD'S REPORT****Commission to Managing Director and Executive Director:**

The NRC evaluates the performance of the Managing Director and Executive Director by setting their Key Performance Objectives at the beginning of each financial year. The NRC recommends to the Board the compensation of the Managing Director and Executive Director based on their performance during the year vis-à-vis the Key Performance Objectives. The NRC ensures that the overall compensation package is in accordance with applicable laws, in line with the Company's objectives, shareholders' interests, industry standards and have an adequate balance between fixed and variable component.

**J. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.**

No employee of the Company receives remuneration in excess of the highest paid director of the Company.

**K. Affirmation:**

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

**On behalf of the Board of Directors**

**CYRUS P. MISTRY**  
**Chairman**

Mumbai, 26th May, 2016

**FORM NO. MR-3**  
**Secretarial Audit Report**  
**for the financial year ended 31st March, 2016**

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**TATA CHEMICALS LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Chemicals Limited (hereinafter called 'the Company'). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;</li> <li>(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;</li> <li>(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;</li> <li>(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;</li> </ul> | <ul style="list-style-type: none"> <li>(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') <ul style="list-style-type: none"> <li>(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;</li> <li>(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;</li> <li>(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;</li> <li>(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - <b>(Not applicable to the Company during the audit period);</b></li> <li>(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;</li> <li>(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - <b>(Not applicable to the Company during the audit period);</b></li> <li>(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - <b>(Not applicable to the Company during the audit period); and</b></li> <li>(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - <b>(Not applicable to the Company during the audit period).</b></li> </ul> </li> </ul> |
|--|---|

**BOARD'S REPORT**

(vi) Other laws applicable specifically to the Company namely :

1. Food Safety and Standards Act, 2006, rules and regulations thereunder;
2. Legal Metrology Act, 2009 and rules and regulations thereunder;
3. The Fertiliser Control Order, 1985;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made effective 1st December, 2015.

During the period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, guidelines, etc.

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

**For Parikh & Associates**  
Company Secretaries

Place: Mumbai  
Date : 26th May, 2016

Jigyasa N. Ved  
Partner  
FCS No: 6488 CP No: 6018

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**'ANNEXURE A'**

To,  
The Members,  
**TATA CHEMICALS LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**  
Company Secretaries

Place: Mumbai  
Date : 26th May, 2016

Jigyasa N. Ved  
Partner  
FCS No: 6488 CP No: 6018

**EXTRACT OF ANNUAL RETURN**
**Form No. MGT-9**
**as on the financial year ended on 31<sup>st</sup> March, 2016**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

<b>I.</b>	<b>Registration and Other Details</b>	
i)	CIN	L24239MH1939PLC002893
ii)	Registration Date:	23rd January, 1939
iii)	Name of the Company:	TATA CHEMICALS LIMITED
iv)	Category / Sub-Category of the Company	Public Company/ Limited by shares
v)	Address of the Registered Office and contact details	Bombay House 24, Homi Mody Street, Fort Mumbai - 400 001 Telephone: + 91 22 6665 8282 Fax: +91 22 6665 8144 email: investors@tatachemicals.com website: www.tatachemicals.com
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar & Share Transfer Agents (RTA)	M/s.TSR Darashaw Limited Unit: Tata Chemicals Limited 6 - 10 Haji Moosa Patrawala Industrial Estate 20 Dr. E Moses Road Near Famous Studio Mahalaxmi, Mumbai - 400 011 Telephone: +91 22 6656 8484 Fax: +91 22 6656 8494 email: csg-unit@tsrdarashaw.com website: www.tsrdarashaw.com
<b>II.</b>	<b>Principal Business Activities of the Company</b>	
	All the business activities contributing 10 % or more of the total turnover of the company shall be stated	As per Annexure A
<b>III.</b>	<b>Particulars of Holding, Subsidiary and Associate Companies</b>	As per Annexure B
<b>IV.</b>	<b>Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)</b>	As per Annexure C
i)	Category-wise Shareholding	
ii)	Shareholding of Promoters	
iii)	Change in Promoters' Shareholding (please specify, if there is no change)	
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):	
v)	Shareholding of Directors and Key Managerial Personnel:	
<b>V.</b>	<b>Indebtedness</b>	As per Annexure D
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	
<b>VI</b>	<b>Remuneration of Directors and Key Managerial Personnel</b>	As per Annexure E
A.	Remuneration to Managing Director, Whole-time Directors and/or Manager	
B.	Remuneration to other Directors	
C.	Remuneration to Key Managerial Personnel other than Managing Director/ Manager/ Whole-time Director	
<b>VII</b>	<b>Penalties / Punishment/ Compounding of Offences</b>	As per Annexure F

**Annexure A**
**II. Principal Business Activities of the Company**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Urea	20121	21%
2.	Diammonium Phosphate (DAP)	20123	18%
3.	Soda Ash	20122	15%
4.	Nitrogen Phosphate Potash (NPK)	20129	11%
5.	Vacuum and Iodised Salt	08932	12%

**Annexure B**
**III. Particulars of Holding, Subsidiary and Associate Companies**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	Rallis India Limited (Rallis) 156/ 157, 15th Floor, Nariman Bhavan 227, Nariman Point, Mumbai - 400 021	L36992MH1948PLC014083	Subsidiary	50.06%	2(87)(ii)
2.	Bio Energy Venture -1 (Mauritius) Pvt. Ltd., IFS Court TwentyEight, Cybercity, Ebene, Mauritius	Not applicable	Subsidiary	100%	2(87)(ii)
3.	Homefield Pvt. UK Limited Mond House, Winnington, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
4.	Tata Chemicals Africa Holdings Limited Mond House, Winnington, W8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
5.	Tata Chemicals South Africa (Pty) Limited 140 Johnstone Road, Maydon Wharf Durban 4001	Not applicable	Subsidiary	100%	2(87)(ii)
6.	Tata Chemicals Magadi Limited Mond House Winnington, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
7.	Magadi Railway Company Limited PO Box 1, Magadi, Lake Magadi, Kenya	Not applicable	Subsidiary	100%	2(87)(ii)
8.	Homefield 2 UK Limited Mond House, Winnington, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
9.	Tata Chemicals (Europe) Holdings Limited Mond House, Winnington, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
10.	Cheshire Salt Holdings Limited Mond House, Winnington, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
11.	Cheshire Salt Limited Mond House, Winnington, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
12.	British Salt Limited Mond House, Winnington, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
13.	Brinefield Storage Limited Mond House, Winnington, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
14.	Cheshire Cavity Storage 2 Limited Mond House, Winnington, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
15.	Cheshire Compressor Limited Mond House, Winnington, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
16.	Irish Feeds Limited Sinclair Wharf, Stormont Road, Belfast, BT3 9AA	Not applicable	Subsidiary	100%	2(87)(ii)

**BOARD'S REPORT**

<b>Sl. No.</b>	<b>Name and Address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of Shares Held</b>	<b>Applicable Section</b>
17.	New Cheshire Salt Works Limited Mond House, Winnington, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
18.	Brunner Mond Group Limited Mond House, Winnington, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
19.	Tata Chemicals Europe Limited Mond House, Winnington, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
20.	Winnington CHP Limited Mond House, Winnington, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
21.	Brunner Mond Generation Company Limited, Mond House, Winnington, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
22.	Brunner Mond Limited Mond House, Winnington, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
23.	Northwich Resource Management Limited Mond House, Winnington, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
24.	Gusiute Holdings (UK) Limited Mond House, Winnington, CW8 4DT	Not applicable	Subsidiary	100%	2(87)(ii)
25.	Valley Holdings Inc. 100 Enterprise Drive, 7th Floor, Suite 701, Rockaway, New Jersey 07866, USA	Not applicable	Subsidiary	100%	2(87)(ii)
26.	Tata Chemicals North America Inc. 100 Enterprise Drive, 7th Floor, Suite 701, Rockaway, New Jersey 07866, USA	Not applicable	Subsidiary	100%	2(87)(ii)
27.	TCNA (UK) Limited 21, Holborn, Viaduct London EC1A 2DY	Not applicable	Subsidiary	100%	2(87)(ii)
28.	General Chemical International Inc. 100 Enterprise Drive, 7th Floor, Suite 701, Rockaway, New Jersey 07866, USA	Not applicable	Subsidiary	100%	2(87)(ii)
29.	NHO Canada Holdings Inc. 100 Enterprise Drive, 7th Floor, Suite 701, Rockaway, New Jersey 07866, USA	Not applicable	Subsidiary	100%	2(87)(ii)
30.	General Chemical Canada Holding Inc. Blake, Cassels & Graydon, Box 25, Commerce Court West, 199 Bay Street, Toronto ON M5L 1A9, Canada	Not applicable	Subsidiary	100%	2(87)(ii)
31.	TCSAP Holdings* 100 Enterprise Drive, 7th Floor, Suite 701, Rockaway, New Jersey 07866, USA	Not applicable	Subsidiary	75%	2(87)(ii)
32.	TCSAP LLC 100 Enterprise Drive, 7th Floor, Suite 701, Rockaway, New Jersey 07866, USA	Not applicable	Subsidiary	75%	2(87)(ii)
33.	Tata Chemicals (Soda Ash) partners (TCSAP)* 100 Enterprise Drive, 7th Floor, Suite 701, Rockaway, New Jersey 07866, USA	Not applicable	Subsidiary	75%	2(87)(ii)
34.	Tata Chemicals International Pte. Ltd 143 Cecil Street, #25-01 GB Building, Singapore (069542)	Not applicable	Subsidiary	100%	2(87)(ii)
35.	Grown Energy Zambeze Holdings Pvt. Ltd. IFS Court TwentyEight, Cybercity, Ebene, Mauritius	Not applicable	Subsidiary	100%	2(87)(ii)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
36.	Grown Energy (Pty) Limited 87 Michelle Avenue, Randhart, Alberton, 1450	Not applicable	Subsidiary	100%	2(87)(ii)
37.	Grown Energy Zambeze Limitada Beira, Praca do Municipio, 5º andar, Cidade da Beira	Not applicable	Subsidiary	95%	2(87)(ii)
38.	Rallis Chemistry Exports Ltd.® 156/ 157, 15th Floor, Nariman Bhavan 227, Nariman Point, Mumbai - 400 021	U74990MH2009PLC193869	Subsidiary	100%	2(87)(ii)
39.	Metahelix Life Sciences Ltd.® Plot No: 3, K.A.I.A.D, 4th Phase Bommasandra, Bengaluru 560 099	U73100KA2000PLC028246	Subsidiary	100%	2(87)(ii)
40.	Zero Waste Agro Organics Ltd. # 701, North Kasaba, Solapur 413 002	U01400PN2011PLC141307	Subsidiary	73.63%	2(87)(ii)
41.	Indo Maroc Phosphore S.A. Immeuble OCP -1, Rue Alabtal Erraha, Casablanca, Maroc	Not applicable	Joint Venture	33.33%	2(6)
42.	Alcad^ 100 Enterprise Drive, 7th Floor, Suite 701, Rockaway, New Jersey 07866, USA	Not applicable	Joint Venture	50%	2(6)
43.	JOil (S) Pte. Ltd. 1 Research Link, Singapore 117604	Not applicable	Joint Venture	33.78%	2(6)
44.	The Block Salt Company Limited & Harvey Softeners Limited, Hipley Street, Old Woking, Surrey, GU22 9LQ	Not applicable	Joint Venture	50%	2(6)
45.	Natronx Technologies LLC\$ Princeton South Corporate Park, 500 Charles Ewing Boulevard, Ewing, New Jersey 08628, USA	Not applicable	Joint Venture	33.3%	2(6)
46.	Crystal Peak Minerals Inc. (formerly EPM Mining Ventures Inc) 200-204 Lambert Street, Whitehorse, YT Y1A,3T2	Not applicable	Associate	19.47%	2(6)

\* a general partnership formed under the laws of the State of Delaware (USA)

@ Rallis is holding 100%

# Rallis is holding 73.63%

^ TCSAP is holding 50%

& New Cheshire Salt Works Limited is holding 50%

\$ TCSAP is holding 33.3%

## BOARD'S REPORT

Annexure C

## IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

## (i) Category-wise Shareholding

Category code (I)	Category of Shareholder (II)	Number of shares held at the beginning of the year 1st April, 2015				Number of shares held at the end of the year 31st March, 2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Promoters (including Promoter Group)</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individuals / Hindu Undivided Family	-	-	-	-	-	-	-	-	-
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Governments(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	7,85,51,492	200	7,85,51,692	30.83	7,84,51,492	200	7,84,51,692	30.79	(0.04)
(e)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	- Trust	3,74,165	-	3,74,165	0.15	3,74,165	-	3,74,165	0.15	-
	<b>Sub-Total (A) (1)</b>	<b>7,89,25,657</b>	<b>200</b>	<b>7,89,25,857</b>	<b>30.98</b>	<b>7,88,25,657</b>	<b>200</b>	<b>7,88,25,857</b>	<b>30.94</b>	<b>(0.04)</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(e)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>7,89,25,657</b>	<b>200</b>	<b>7,89,25,857</b>	<b>30.98</b>	<b>7,88,25,657</b>	<b>200</b>	<b>7,88,25,857</b>	<b>30.94</b>	<b>(0.04)</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds	2,84,99,468	3,194	2,85,02,662	11.19	2,98,59,244	3,194	2,98,62,438	11.72	0.53
(b)	Banks / Financial Institutions	4,40,059	83,355	5,23,414	0.20	6,12,321	59,189	6,71,510	0.26	0.06
(c)	Central Government	4,32,492	-	4,32,492	0.17	13,59,186	-	13,59,186	0.53	0.36
(d)	State Governments(s)	-	71,598	71,598	0.03	-	71,598	71,598	0.03	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	3,73,55,283	402	3,73,55,685	14.66	3,44,73,317	401	3,44,73,718	13.53	(1.13)
(g)	Foreign Institutional Investors	4,78,10,403	2,600	4,78,13,003	18.77	3,69,40,287	2,600	3,69,42,887	14.50	(4.27)
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	- Foreign Nationals - DR	556	-	556	-	30,402	-	30,402	0.01	0.01
	- Foreign Companies / OCBs	6,290	-	6,290	-	6,290	-	6,290	-	-
	- Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	- Foreign Portfolio Investors	53,04,532	-	53,04,532	2.08	1,79,35,017	-	1,79,35,017	7.04	4.96
	<b>Sub-Total (B) (1)</b>	<b>11,98,49,083</b>	<b>1,61,149</b>	<b>12,00,10,232</b>	<b>47.10</b>	<b>12,12,16,064</b>	<b>1,36,982</b>	<b>12,13,53,046</b>	<b>47.63</b>	<b>0.53</b>
<b>(2)</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate									
i	Indian	37,37,291	75,600	38,12,891	1.50	32,44,706	75,600	33,20,306	1.30	(0.20)
ii	Overseas	-	-	-	-	-	-	-	-	-

Category code (I)	Category of Shareholder (II)	Number of shares held at the beginning of the year 1st April, 2015				Number of shares held at the end of the year 31st March, 2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,81,29,038	76,34,283	4,57,63,321	17.97	3,79,14,045	72,65,862	4,51,79,907	17.75	(0.22)
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	49,47,270	2,86,613	52,33,883	2.05	49,90,422	2,34,837	52,25,259	2.05	-
(c)	Any Other (Specify)									
	- Trust	10,09,885	209	10,10,094	0.40	8,51,617	209	8,51,826	0.33	(0.07)
	- Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	- Foreign Portfolio Investors	-	-	-	-	77	-	77	-	-
	<b>Sub-total (B) (2)</b>	<b>4,78,23,484</b>	<b>79,96,705</b>	<b>5,58,20,189</b>	<b>21.92</b>	<b>4,70,00,867</b>	<b>75,76,508</b>	<b>5,45,77,375</b>	<b>21.43</b>	<b>(0.49)</b>
	<b>Total Public Shareholding (B) = (B) (1)+(B)(2)</b>	<b>16,76,72,567</b>	<b>81,57,854</b>	<b>17,58,30,421</b>	<b>69.02</b>	<b>16,82,16,931</b>	<b>77,13,490</b>	<b>17,59,30,421</b>	<b>69.06</b>	<b>0.04</b>
	<b>TOTAL (A)+(B)</b>	<b>24,65,98,224</b>	<b>81,58,054</b>	<b>25,47,56,278</b>	<b>100.00</b>	<b>24,70,42,588</b>	<b>77,13,690</b>	<b>25,47,56,278</b>	<b>100.00</b>	<b>-</b>
(C)	Shares held by Custodians for GDRs & ADRs									
1	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
2	Public	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>24,65,98,224</b>	<b>81,58,054</b>	<b>25,47,56,278</b>	<b>100.00</b>	<b>24,70,42,588</b>	<b>77,13,690</b>	<b>25,47,56,278</b>	<b>100.00</b>	<b>-</b>

**(ii) Shareholding of Promoters (Including Promoter Group)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 1st April, 2015			Shareholding at the end of the year 31st March, 2016			% Change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total shares	
1.	Tata Sons Limited (Promoter)	4,93,06,423	19.35	-	4,93,06,423	19.35	-	-
2.	Tata Investment Corporation Limited*	1,55,53,501	6.11	-	1,55,53,501	6.11	-	-
3.	Tata Global Beverage Limited*	1,11,85,522	4.39	1.46	1,11,85,522	4.39	1.46	-
4.	Ewart Investment Limited*	13,69,290	0.54	-	13,69,290	0.54	-	-
5.	Simto Investment Company Limited*	6,18,000	0.24	-	5,18,000	0.20	-	(0.04)
6.	Sir Dorabji Tata Trust*	2,59,425	0.10	-	2,59,425	0.10	-	-
7.	Voltas Limited *	2,00,440	0.08	-	2,00,440	0.08	-	-
8.	Tata Coffee Limited*	1,60,000	0.06	-	1,60,000	0.06	-	-
9.	Tata Industries Limited*	77,647	0.03	-	77,647	0.03	-	-
10.	Tata Motors Limited*	70,249	0.03	-	70,249	0.03	-	-
11.	Sir Ratan Tata Trust*	68,041	0.03	-	68,041	0.03	-	-
12.	J R D Tata Trust*	46,699	0.02	-	46,699	0.02	-	-
13.	Sheba Properties Limited*	10,060	-	-	10,060	-	-	-
14.	Titan Industries Limited*	560	-	-	560	-	-	-
	<b>TOTAL</b>	<b>7,89,25,857</b>	<b>30.98</b>	<b>1.46</b>	<b>7,88,25,857</b>	<b>30.94</b>	<b>1.46</b>	<b>(0.04)</b>

\* Part of Promoter Group

**BOARD'S REPORT**
**(iii) Change in Promoters' (Including Promoter Group) Shareholding**

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (as on 1st April, 2015)		Date	Reason	Increase/decrease in shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Tata Sons Limited (Promoter)	4,93,06,423	19.35	01.04.2015	No change	-	-	4,93,06,423	19.35
				31.03.2016	At the end of the year	-	-	4,93,06,423	19.35
2.	Tata Investment Corporation Limited*	1,55,53,501	6.11	01.04.2015	No change	-	-	1,55,53,501	6.11
				31.03.2016	At the end of the year	-	-	1,55,53,501	6.11
3.	Tata Global Beverage Limited*	1,11,85,522	4.39	01.04.2015	No change	-	-	1,11,85,522	4.39
				31.03.2016	At the end of the year	-	-	1,11,85,522	4.39
4.	Ewart Investment Limited*	13,69,290	0.54	01.04.2015	No change	-	-	13,69,290	0.54
				31.03.2016	At the end of the year	-	-	13,69,290	0.54
5.	Simto Investment Company Limited*	6,18,000	0.24	04.03.2016	Decrease	(1,00,000)	(0.04)	5,18,000	0.20
				31.03.2016	At the end of the year	-	-	5,18,000	0.20
6.	Sir Dorabji Tata Trust*	2,59,425	0.10	01.04.2015	No change	-	-	2,59,425	0.10
				31.03.2016	At the end of the year	-	-	2,59,425	0.10
7.	Voltas Limited *	2,00,440	0.08	01.04.2015	No change	-	-	2,00,440	0.08
				31.03.2016	At the end of the year	-	-	2,00,440	0.08
8.	Tata Coffee Limited*	1,60,000	0.06	01.04.2015	No change	-	-	1,60,000	0.06
				31.03.2016	At the end of the year	-	-	1,60,000	0.06
9.	Tata Industries Limited*	77,647	0.03	01.04.2015	No change	-	-	77,647	0.03
				31.03.2016	At the end of the year	-	-	77,647	0.03
10.	Tata Motors Limited*	70,249	0.03	01.04.2015	No change	-	-	70,249	0.03
				31.03.2016	At the end of the year	-	-	70,249	0.03
11.	Sir Ratan Tata Trust*	68,041	0.03	01.04.2015	No change	-	-	68,041	0.03
				31.03.2016	At the end of the year	-	-	68,041	0.03
12.	J R D Tata Trust*	46,699	0.02	01.04.2015	No change	-	-	46,699	0.02
				31.03.2016	At the end of the year	-	-	46,699	0.02
13.	Sheba Properties Limited*	10,060	-	01.04.2015	No change	-	-	10,060	-
				31.03.2016	At the end of the year	-	-	10,060	-
14.	Titan Industries Limited*	560	-	01.04.2015	No change	-	-	560	-
				31.03.2016	At the end of the year	-	-	560	-

\*Part of Promoter Group

**(iv) Shareholding Pattern of top 10 shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	Name of shareholders	Shareholding at the beginning of the year (as on 1st April, 2015)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	ICICI Prudential Life Insurance Company Ltd				
	At the beginning of the year	1,26,84,441	4.98	1,26,84,441	4.98
	Bought during the year	2,32,400	0.09	1,29,16,841	5.07
	Sold during the year	(4,81,998)	(0.19)	1,24,34,843	4.88
	At the end of the year	1,24,34,843	4.88	1,24,34,843	4.88

Sl. No.	Name of shareholders	Shareholding at the beginning of the year (as on 1st April, 2015)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Franklin Templeton Investment Funds				
	At the beginning of the year	1,04,07,696	4.09	1,04,07,696	4.09
2.	Bought during the year	13,88,851	0.55	1,17,96,547	4.64
	Sold during the year	(3,77,000)	(0.15)	1,14,19,547	4.49
	At the end of the year	1,14,19,547	4.49	1,14,19,547	4.49
	Government Pension Fund Global				
	At the beginning of the year	93,97,962	3.69	93,97,962	3.69
3.	Bought during the year	1,53,798	0.06	95,51,760	3.75
	Sold during the year	(11,05,946)	(0.43)	84,45,814	3.32
	At the end of the year	84,45,814	3.32	84,45,814	3.32
	Life Insurance Corporation Of India				
	At the beginning of the year	72,96,962	2.86	72,96,962	2.86
4.	Bought during the year	40,33,837	1.58	1,13,30,799	4.44
	Sold during the year	(17,15,489)	(0.67)	96,15,310	3.77
	At the end of the year	96,15,310	3.77	96,15,310	3.77
	HDFC Standard Life Insurance Company Limited				
	At the beginning of the year	50,09,033	1.96	50,09,033	1.96
5.	Bought during the year	52,579	0.02	50,61,612	1.98
	Sold during the year	(35,04,201)	(1.37)	15,57,411	0.61
	At the end of the year	15,57,411	0.61	15,57,411	0.61
	ICICI Prudential Mutual Fund				
	At the beginning of the year	49,83,788	1.96	49,83,788	1.96
6.	Bought during the year	50,59,788	1.99	1,00,43,576	3.95
	Sold during the year	(41,39,683)	(1.62)	59,03,893	2.33
	At the end of the year	59,03,893	2.33	59,03,893	2.33
	Templeton India Equity Income Fund				
	At the beginning of the year	49,77,987	1.95	49,77,987	1.95
7.	Bought during the year	-	-	49,77,987	1.95
	Sold during the year	(10,00,587)	(0.39)	39,77,400	1.56
	At the end of the year	39,77,400	1.56	39,77,400	1.56
	UTI - Mutual Fund				
	At the beginning of the year	49,64,549	1.95	49,64,549	1.95
8.	Bought during the year	3,19,768	0.12	52,84,317	2.07
	Sold during the year	(13,01,118)	(0.51)	39,83,199	1.56
	At the end of the year	39,83,199	1.56	39,83,199	1.56

**BOARD'S REPORT**

Sl. No.	Name of shareholders	Shareholding at the beginning of the year (as on 1st April, 2015)		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Birla Sun Life Trustee Company Private Limited				
	At the beginning of the year	42,15,711	1.65	42,15,711	1.65
9.	Bought during the year	26,18,817	1.03	68,34,528	2.68
	Sold during the year	(8,37,914)	(0.33)	59,96,614	2.35
	At the end of the year	59,96,614	2.35	59,96,614	2.35
	General Insurance Corporation Of India				
	At the beginning of the year 01-04-2015	41,00,005	1.61	41,00,005	1.61
10.	Bought during the year	-	-	41,00,005	1.61
	Sold during the year	(2,36,155)	(0.09)	38,63,850	1.52
	At the end of the year 31-03-2016	38,63,850	1.52	38,63,850	1.52

Note:

- The above information is based on the weekly beneficiary position received from the depositories
- The date wise increase /decrease in shareholding of the top 10 shareholders is available on the website of the Company [www.tatachemicals.com](http://www.tatachemicals.com)

**v) Shareholding of Directors and Key Management Personnel**

Sl. No.	Name of Directors/ KMP	Shareholding at the beginning of the year as on 1st April, 2015		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	<b>Mr. Cyrus P. Mistry</b>				
	At the beginning of the year	16,000	0.01	16,000	0.01
1.	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	16,000	0.01	16,000	0.01
	<b>Mr. R. Mukundan (Managing Director)</b>				
	At the beginning of the year	500	-	500	-
2.	Bought during the year	-	-	-	-
	Sole during the year	-	-	-	-
	At the end of the year	500	-	500	-

Note:

- Mr. Nusli N. Wadia, Mr. Nasser Munjee, Mr. E. A. Kshirsagar, Dr. Y.S.P. Thorat, Ms. Vibha Paul Rishi and Mr. Bhaskar Bhat did not hold any shares of the Company during FY 2015-16
- Mr. John Mulhall, Chief Financial Officer, and Mr. Rajiv Chandan, General Counsel & Company Secretary, the Key Managerial Personnel, did not hold any shares during FY 2015-16

**V Indebtedness**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(₹ in crore)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	211	2,505	-	<b>2,716</b>
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	79	-	<b>78</b>
<b>Total (i+ii+iii)</b>	<b>211</b>	<b>2,584</b>	-	<b>2,794</b>
Change in Indebtedness during the financial year*				
• Addition	198	2,309	-	<b>2,507</b>
• Reduction	207	1,969	-	<b>2,175</b>
<b>Net Change</b>	<b>(9)</b>	<b>340</b>	-	<b>332</b>
Indebtedness at the end of the financial year				
i) Principal Amount	202	2,841	-	<b>3,043</b>
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	83	-	<b>83</b>
<b>Total (i+ii+iii)</b>	<b>202</b>	<b>2,924</b>	-	<b>3,126</b>

\* Includes interest accrued but not due

**VI. Remuneration of Directors and Key Managerial Personnel**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹)

Sl. No.	Particulars of Remuneration	Mr. R. Mukundan Managing Director	Mr. P. K. Ghose Executive Director & CFO <sup>§</sup>	Total
	Gross Salary			
1.	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,05,76,842	70,32,906	2,76,09,748
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	1,19,198	6,70,244	7,89,442
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			
	- others, specify...(Performance based)	2,30,00,000*	1,50,00,000*	3,80,00,000*
5.	Others (Contribution to PF)	9,47,918	2,30,90,573 <sup>#</sup>	2,40,38,491
	<b>Total (A)</b>	<b>4,46,43,958</b>	<b>4,57,93,723</b>	<b>9,04,37,681</b>
	Ceiling as per the Act (@10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013- in crore)			<b>83.45</b>

Notes:

\* Commission relates to the FY 2015-16, which will be paid during FY 2016-17

§ Retired with effect from 30th September, 2015

# The amount includes retiral benefits paid

## BOARD'S REPORT

## B. Remuneration to other Directors:

(₹)

Sl. No.	Particulars	Fee for attending Board/ Committee Meetings	Commission <sup>@</sup>	Others, please specify	Total Amount
<b>I.</b>	<b>Independent Directors</b>				
1.	Mr. Nusli N Wadia	3,60,000	35,35,000	-	38,95,000
2.	Mr. Nasser Munjee	5,20,000	56,50,000	-	61,70,000
3.	Mr. E. A. Kshirsagar	5,40,000	39,30,000	-	44,70,000
4.	Dr. Y. S. P. Thorat	6,20,000	39,25,000	-	45,45,000
5.	Ms. Vibha Paul Rishi	2,40,000	19,00,000	-	21,40,000
	<b>Total (1)</b>	<b>22,80,000</b>	<b>1,89,40,000</b>	-	<b>2,12,20,000</b>
<b>2.</b>	<b>Other Non Executive Directors</b>				
1.	Mr. Cyrus P. Mistry	4,20,000	NIL*	-	4,20,000
2.	Mr. R. Gopalakrishnan <sup>§</sup>	4,60,000	95,80,000	-	1,00,40,000
3.	Mr. Prasad R. Menon <sup>^</sup>	2,20,000	27,80,000	-	30,00,000
4.	Mr. Bhaskar Bhat <sup>#</sup>	1,50,000	12,00,000	-	13,50,000
	<b>Total (2)</b>	<b>12,50,000</b>	<b>1,35,60,000</b>	-	<b>1,48,10,000</b>
	<b>Total (B)= (1+2)</b>	<b>35,30,000</b>	<b>3,25,00,000</b>		<b>3,60,30,000</b>
	<b>Total Managerial Remuneration</b>				
	Ceiling as per the Act (@1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013- in crore)				<b>8.34</b>

<sup>@</sup> Commission relates to the FY 2015-16, which will be paid during FY 2016-17

Notes:

\* Mr. Cyrus P. Mistry, being Executive Chairman of Tata Sons Limited, has not accepted any commission

§ Mr. R. Gopalakrishnan retired with effect from 25th December, 2015

^ Mr. Prasad R. Menon resigned with effect from 21st October, 2015

# Mr. Bhaskar Bhat was appointed with effect from 20th October, 2015

## C. Remuneration to Key Managerial Personnel (Kmp) other than Managing Director / Manager / Whole-Time Director

Sl. No	Particulars of Remuneration	KMP	
		John Mulhall* Chief Financial Officer	Rajiv Chandan (General Counsel & Company Secretary)
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	72,72,322	92,24,802
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	11,05,248	2,64,236
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-
2.	Stock Options	-	-
3.	Sweat Equity	-	-
4.	Commission	N.A.	N.A.
	- as % of profit		-
	- others, specify....		-
5.	Others (Contribution to PF and Superannuation)	2,08,306	3,67,696
	<b>Total</b>	<b>85,85,876</b>	<b>98,56,734</b>

\* for part of the year

**VII. Penalties / Punishment / Compounding of Offences:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			None		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			None		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			None		
Compounding					

On behalf of the Board of Directors

**CYRUS P. MISTRY**  
Chairman

Mumbai, 26th May, 2016

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS ENVIRONMENT

#### Global Economic Outlook

The global economic environment continues to remain challenging. The International Monetary Fund, in its latest outlook has trimmed down world GDP growth projections for 2016 from 3.4% to 3.2%. The downward revision is on account of weakening growth prospects in emerging and developing economies led by slowdown in the Chinese economy, depressed commodity prices and strains in some large emerging market economies like Brazil and Russia. It also projects a modest albeit uneven recovery to continue in the advanced economies.

The US continues to grow moderately, supported by consumption, however, lower investments and exports could weigh on growth.

In the Euro area, real GDP growth is expected to decrease to 1.5% in 2016 from 1.6% in 2015. Decelerating global growth outlook, increasing geopolitical risks and a revised inflation forecast (0.1% from 1%) for 2016, prompted the European Central Bank (ECB) to expand the scope of its quantitative easing programme, cutting its policy rates and revving up asset purchases to €80 billion/month from €60 billion/month. ECB is expected to continue the monetary stimulus till March 2017. Low oil prices and favourable financing conditions are supporting consumer spending and investment. However, high public and private sector debt, elevated unemployment, and structural rigidities will continue to weigh on the outlook. Further, uncertainty around the European Union (EU) referendum on Brexit could weigh on business investment.

Japan's economic performance remains subdued. A volatile yen and low oil prices are keeping the economy on a positive growth trajectory. Aging population and slow productivity growth due to lack of structural reforms continue to create challenges. Government measures may be required to achieve the growth and inflation targets. An ultra-accommodative monetary policy stance will remain in place for the foreseeable future.

China's economy is expected to slow down to 6.5% in 2016 compared to 6.9% in 2015, as it continues to face strong decelerating forces due to the structural changes that are taking place, i.e. moving from investment towards consumption and services. Though the total debt in China stands at 249% of GDP, the government debt is in the range of 40-50% of GDP. Thus, the government can provide enough support if the banks decide to deleverage.

There is a heavy overhang of capacity in China across sectors. Hence, potential dumping of chemicals, metals, and electronic items by China in the global trade markets could be an area of concern. Also, China's faster-than-expected slowdown in exports and imports is reflecting its weak investment and manufacturing activity, which is having spillovers to other economies, thus impacting confidence and increasing volatility in financial markets.

Low global crude oil prices will impact the fuel exporters' growth prospects, while supporting growth and demand prospects in importer countries. The four key transitions that are likely to continue influencing the global outlook are:

- i. The gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing towards consumption and services
- ii. Lower prices for energy and other commodities
- iii. Gradual tightening in monetary policy in the US led by a resilient US recovery even while several other major advanced economies continue to ease monetary policy
- iv. Downside risks to the EU economy closely linked to Brexit

#### Domestic Economic Outlook

The Indian economy continues to gradually recover from a growth slowdown in the past two years, high fiscal deficit and stagnant industrial activity. The investment activity is likely to pick up, led by Government efforts to boost investment in infrastructure, particularly roads, railways and urban infrastructure. The growth, based on the new GDP series was 6.6% in FY 2014, 7.2% in FY 2015. The Government expects India's GDP to grow at 7.6% in FY 2016. Expectations of a normal monsoon after two consecutive years of rainfall deficiency, improving real incomes of households and lower input costs of firms should contribute to strengthening the growth.

The Governments' commitment to stick to the fiscal discipline (3.5% in FY 2017) in the Union Budget 2016-17 created space for the RBI to cut interest rates further. The recent reduction in interest rates on small savings also paved the way for a rate cut of 25 bps in its recent monetary policy review on 5th April, 2016.

The FY 2017 estimates are also realistic, with growth in tax revenues estimated in line with expected growth. Foreign investors would also be enthused by the various measures announced to eliminate tax distortions and improving ease of doing business. The Government

has maintained a strong thrust on rural and infrastructure spending and accommodating the additional expenses for the pay commission recommendations, without violating the fiscal deficit targets. The farm sector saw a 94% increase in allocation, with crop insurance and irrigation being the biggest beneficiaries. For the non-farm community, while there are measures to provide a safety net, the increase in allocation is moderate compared with last fiscal. At an overall level, rural development spend (mostly non-farm) is budgeted to grow at a moderate pace of 11% per year in FY 2017 compared with 15% in FY 2016. However, some key issues facing rural India could be further looked into such as focus on agri-markets development and push to agriculture investment, steps to increase farm profitability, long-term solutions to impart skills training and create employment in the non-farm sector.

The focus on infrastructure investments will have spill-overs on growth, if implemented effectively. Despite pressure on fiscal consolidation, enough room has been created for infrastructure spending through the Government's own resources, especially PSUs to invest more, specifically on roads, highways, agriculture and rural development.

The RBI is targeting a 5% inflation rate by end of FY 2017. However, it is based on the assumption of normal monsoon, current level of international crude oil prices and exchange rate (considering these factors, the 5% inflation estimate for FY 2016-17 seems low and the actual inflation figure could be higher at around 5.6% in 2016-17 while the Wholesale Price Index (WPI) is estimated at 2.5% in 2016-17).

### COMPANY OVERVIEW AND SUSTAINABLE PROFITABLE GROWTH STRATEGY

Tata Chemicals Limited ('the Company' or 'TCL') is a global company serving customers across five continents, with sustainability and innovation at the core of its business. TCL is the world's second largest producer of soda ash, reaches over 650 million consumers through its Tata Salt brand and touches 85% of India's arable land through its agri business, together with its subsidiaries Rallis India Limited (Rallis) and Metahelix Life Sciences Limited (Metahelix).

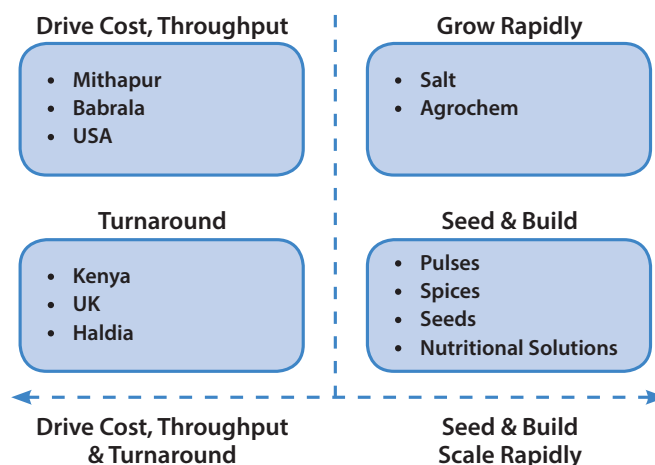
The Company continues to transform itself from a commodity and an inorganic chemicals manufacturer towards providing wellness solutions, led by strong growth in consumer, agri and specialty businesses while further strengthening its core. TCL is making significant progress in its transformation journey of LEAP - Lead, Engage, Aspire and Perform by focusing on building brands through greater customer centricity and technology led differentiation.

The Company, in each of its businesses, is addressing requisite capability building to meet the critical success factors based on long term value creation. In the chemicals business, the Company faced global headwinds from falling market demand and volatile prices. The business will continue to focus on turning units in Kenya and UK profitable and drive cost reduction and throughput at its Mithapur and USA units to maintain its leadership position.

The agri-business will continue efforts to make its unit in Haldia profitable, drive cost reduction and throughput at its Babrala unit and further build the specialty agro chemicals and seeds business through its subsidiaries Rallis and Metahelix. Anticipating a good monsoon in the year ahead, the Company plans to leverage its strong farmer connect and digitisation initiatives to provide solutions to improve productivity and profitability of farmers.

The consumer products business witnessed strong growth across all categories through relentless focus on customer centricity and brand. Tata Salt was voted as No. 2 on India's most trusted brands (Source: ET Brand Equity Most Trusted Brands 2015) and Tata Sampann has been launched (for pulses and spices). Looking ahead, the business will further improve the reach of salt and build scale for pulses and spices. The business aims to delight consumers by offering everyday nourishing foods that form a part of the Indian thali (plate).

The Innovation Centre in Pune will continue supporting the diverse needs of TCL's businesses along with synergistic programmes with the Tata Group companies. It will continue its R&D in 4 key areas of nano-scale specialty chemicals, advanced materials, nutraceuticals and green chemistry and catalysis platforms. The Nutritional Solutions unit, operating as a start-up, will focus on building scale in specialty businesses.



## MANAGEMENT DISCUSSION &amp; ANALYSIS

BUSINESS UNITS  
INORGANIC CHEMICALS

## Global Chemicals Business Sales (USD million)



## Industry structure and developments

The Company is an integrated manufacturer of basic and value-added chemicals, key among them being soda ash and sodium bicarbonate.

With a capacity of approximately 4.3 million tonnes across its manufacturing facilities in India, UK, Kenya and the USA, the Company has a competitive advantage as the world's most geographically diversified soda ash company, with more than 6% global capacity share (~70% of this capacity is natural soda ash based). The Company's natural soda ash operations are located at the Green River Basin, Wyoming, USA, where the world's largest known deposits of trona are found, and at Lake Magadi in Kenya. Natural soda ash provides the Company with a low energy and environmental footprint manufacturing process. Synthetic soda ash and sodium bicarbonate are manufactured at Mithapur, India and Northwich, UK. This process uses brine (salt water) and limestone as key raw materials.

With manufacturing facilities located across the four continents of North America (TCNA), Europe (TCEL), Africa (TCML) and Asia (TCL), the Company can efficiently serve customers across the globe.

## Soda Ash

Emerging economies have been the primary growth driver for soda ash over the past decade with increasing glass and detergent usage. However, FY 2015 witnessed demand slowdown in key markets including China and India. Global soda ash demand remained flat at almost 56 million tonnes in FY 2015-16. Looking ahead, world demand is forecast to grow at 2.5% p.a. through 2020.

Indian market demand remained almost flat for FY 2015-16 after a growth of almost 10% in the previous period. While a stagnating rural market impacted detergent demand, glass demand remained subdued due to lower infrastructure spends. North American demand grew by a healthy 3% in FY 2015-16, a significant development over the flat nature in the past few years. Export markets in Asia registered moderate growth but Latin American markets were constrained. The UK market remained reasonably flat for the year with the Company maintaining its market leadership, sourced by production from our UK facility and US imports. Demand growth in key markets of the Company's African operation remained mixed.

Global soda ash capacities remained flat at 67.5 million tonnes. Regional over-capacity and shift in governmental policies resulted in major consolidation in China as net capacity dropped by 1 million tonnes in FY 2015-16 over last period. Even though there is no new capacity addition across Europe and America, substantial debottlenecking is being considered across Indian subcontinent, Middle East and Central Europe. Global supply is forecast to grow at 1.9% p.a. through 2020, with Turkey leading the way.

India continues to be a favourable export destination for most soda ash manufacturers, with 0.6 million tonnes of imports in FY 2015-16. The Company believes in delivering value to its customers by assuring competitive supplies in a fair trade market. While the Indian market is supplemented by soda ash from US and Kenya, UK demand is also catered to by substantial imports from US.

Globally, pricing volatility persisted through the year due to slow demand growth, low shipping and energy costs, strengthening dollar and other geo-political considerations. Chinese prices dipped through the year due to weak domestic sentiments and surplus exports, before correcting back upwards towards the year-end. US prices remained firm and even improved slightly towards the year end with strong export sales. The same strong dollar resulted in upward pricing pressures in Europe and Asia. While regional price variations and supply-demand gaps will persist, it is expected that the global prices will reflect movement in broad commodity and energy cycles.

## Sodium Bicarbonate

Sodium bicarbonate is commonly used as an ingredient in leather tanning, dyes & textiles, food additives, animal feed, pharmaceuticals and air pollution control. The Company is the world's fourth largest producer of sodium bicarbonate with about 6% capacity share (FY 2015-16) and is the market leader in India and UK.

Indian sodium bicarbonate demand grew by almost 4% in FY 2015-16 against the trend of 7-8% growth. Even though demand drivers faltered in this year, the Company believes in the long term sound fundamentals of this business and continues to maintain market share in excess of 50%. The Company continues to develop and deliver value added offerings to its customers.

## Branded Bicarb volumes as a % of total Bicarb volumes (India)



### Cement

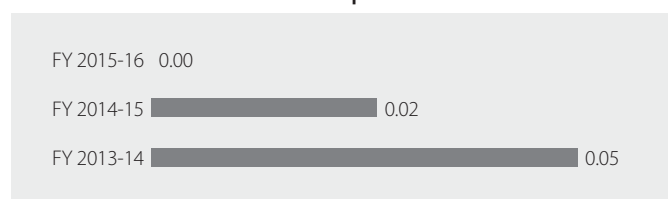
In addition to soda ash and sodium bicarbonate, the Company also manufactures cement. The cement plant was setup in 1993 to convert solid wastes (generated as by-products of soda ash and fly ash from the captive power plant) to value-added products. Demand and price pressures were prevalent for most of FY 2015-16 due to lacklustre infrastructure development. The Company is focused on driving profitability in this business by consciously operating in low freight zones and by expanding into value added product portfolio.

### Business Performance

India Chemical Operations continued strong focus on operational efficiencies and lower energy cost which contributed to improved profitability of the business in a mixed business environment.

The Company's unrelenting emphasis on safety was championed by the implementation of a structured safety program "Suraksha Jyot" to bring about sustainable behavioural changes - being awarded with the coveted British Safety Council (BSC) "Sword of Honour" bears testimony to these efforts. On the sustainability front, the Company believes in "Sustainability driving Strategy" and strives to move beyond compliance to betterment of the community and ecology. Accordingly, use of fresh water for process has been reduced to zero in Mithapur. Similar efforts have been made around efficiency improvement in filtration and recycling of soda ash solids in cement.

### Fresh Water Usage in Production for the Indian Chemical Operations (Kilo litre/ tonne)



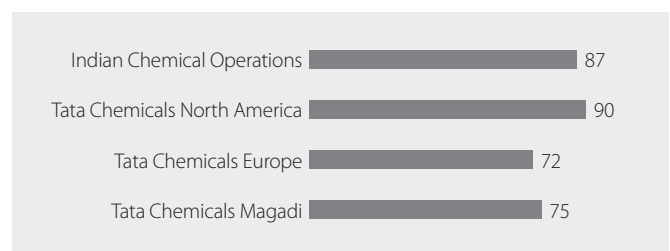
Production levels of most key products remained steady in FY 2015-16 with second highest annual production of Soda Ash and record production of sodium bicarbonate. Operational efficiencies were driven by focus on planned maintenance, rigorous implementation of continuous improvement programs. Supply chain supported the operations with similar performance through record transfer of products through multi-modal channels. Increased rail movement, innovation in the bulk transport of soda ash, safe transportation of bromine in ISO tankers and exploration of coastal dispatch options are few notable achievements during the year.

TCNA net revenues dropped from the previous year due to lower production. There was some favourable sales mix and pricing gains along with lower finance costs, through debt reduction.

TCML registered an improved performance driven by low operating costs, lower sea freight and costs rationalisation. TCML also undertook key strategic initiatives related to debottlenecking of Soda ash plant, improving product quality, supply chain efficiency and ensuring a deeper engagement with the local stakeholders. TCML continued its focus on improving its cash flow position through several measures including aggressive working capital management.

For TCE, plant operation at Lostock achieved highest output since 2012. The site also celebrated an exceptionally good environmental performance in the year where the safety accident rate (TRIFR) improved significantly on FY 2014-15. The modified sodium bicarbonate at Winnington has run strongly and reliably enabling very steady customer service delivery during the year.

### Customer Satisfaction Index (%)

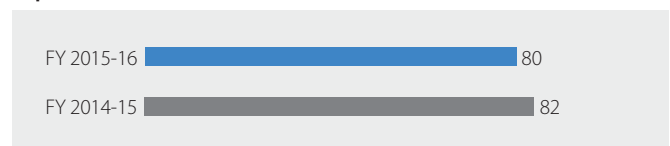


Salt retained its strong market share throughout the period and delivered a positive EBITDA performance. TCE commenced a 60 day statutory consultation on the closure of the historic Brunner Mond Defined Benefit pension scheme.

### Outlook for business

Given the long-term favourable macro-economic trends in emerging economies, higher infrastructure investment and increasing disposable income; the Company continues to believe in the long term fundamentals of the soda ash and sodium bicarbonate industry. In the backdrop of this positive business outlook, the Company is focusing on executing its LEAP strategy.

### Solid Waste Recycled for Indian Chemical Operations (%)



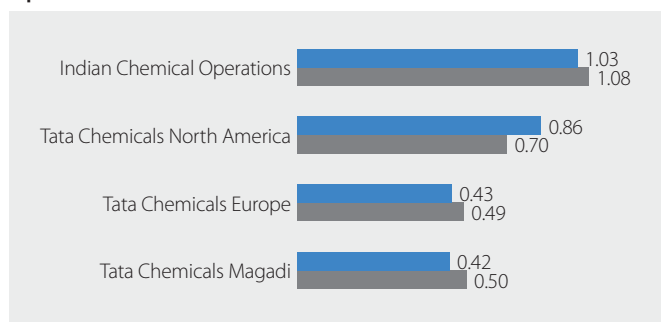
## MANAGEMENT DISCUSSION & ANALYSIS

The Indian soda ash demand is expected to maintain its growth momentum of around 4-5% in the next few years. Over the next 4 years, a total of 0.9 million tonnes capacity is expected to be added-both through debottlenecking of existing operations and entry of new player. However, the projected increase in domestic demand is expected to be more than offset any potential increase in domestic capacity. Pricing pressure is expected to continue in the medium term. In light of the mid-term review of anti-dumping duties (ADD), the Company is committed to a logical and fair trade market.

Sodium bicarbonate continues to offer immense potential as the domestic industry matures. Growth rates of 6-8% p.a. are anticipated for the next 5 years with increasing value-addition and branding. Apart from the traditional sectors of food and animal feed, development of applications in flue gas treatment, pharmaceuticals are expected to generate value.

### Specific Emission

(tonnes CO<sub>2</sub>/tonnes of product)



■ FY 2015-16 ■ FY 2014-15

Outlook for TCNA remains positive with soda ash manufacturing continuing to remain sold out. Domestic pricing continued to improve with increases achieved on calendar year 2016 contracts. Opportunities continue in South Africa and further consolidation of the UK supply position. Export pricing suffered a decline in 2016 contracts mainly due to the pressure from increased Chinese exports caused by a softening of domestic demand, improved cost competitiveness and exceptionally low global sea freights.

The soda ash demand for TCML is expected to remain balanced in FY 2016-17 with no new major capacities targeted. Competitiveness will be derived by price and quality which means strategic market mixes will determine gains or losses. Africa has shown indications of growth and this will remain key to TCML's growth.

TCEL expects to continue to strengthen its financial performance further in FY 2016-17 as it drives on from the reorganisation in 2014, with profit forecast to grow in all major products - soda ash, sodium bicarbonate and salt - during the coming year.

### Risks and Opportunities

The Indian market scenario presents some key opportunities which the Company is addressing. The Company is strengthening the product portfolio with value added and branded product variants especially for bicarbonate and cement. These variants would help meet unique requirements of high-end applications. It is also, through leveraging digitisation, establishing a stronger customer connect and improving business processes through creation of new IT platforms. In addition, the Company is evaluating expanding production volumes to strengthen market leadership in key products.

At TCNA, the focus is on production stabilisation and securing 2.5 million tonnes of production. There is an opportunity to drive production to 2.6 million tonnes. Margin optimisation measures including energy hedging, rail fleet management and cost control are continuously reviewed.

At TCML, the focus is largely centred on the growth of key products and cash flow improvement. In addition to SAM debottlenecking, development of the dried salt and Crushed Refined Soda (CRS) product could create further growth opportunities. Better utilisation of existing assets, continued focus on process improvement initiatives and optimal working capital management will support a positive cash flow position in the future.

Opportunities at TCE span across both operational and commercial areas. Several projects driving towards increasing energy effectiveness for the Winnington CHP plant and soda ash business over the coming years are under review. Growth opportunities for sodium bicarbonate in the Asian market are being pursued. Amidst energy price volatility, TCE has a strongly hedged position in FY 2016-17.

In India, any adverse impact on domestic price realisations due to removal of ADD will be mitigated through even greater focus on cost reduction by increasing operational efficiencies and improving fixed cost structure. The Company is also working to ensure adequate supply of cost competitive raw materials by increasing captive production and entering into competitive sourcing arrangements.

Aggressive pricing from competitors, as a result of worsening global conditions and strong dollar, tightening regulatory and environmental legislation as well as the renegotiation of the labour contract and reliability of plant production are the key risks for TCNA. Rigorous project management and continued engagement with all stakeholders are critical to manage these risks.

Areas of significant risk for TCML surround the ability to recover trona quality, reduce siltation in Lake Magadi, a deteriorating road infrastructure, water scarcity and land & environmental pressures. Through concerted efforts including technical collaboration with third parties, greater engagement with local and national stakeholders and focused cost control measures are underway.

TCE operations face key risks related to volatility of exchange rates and energy costs, and increasingly stringent environmental EU norms. Contractual arrangements to address volatility and engagement with relevant stakeholders are underway to manage the risks.

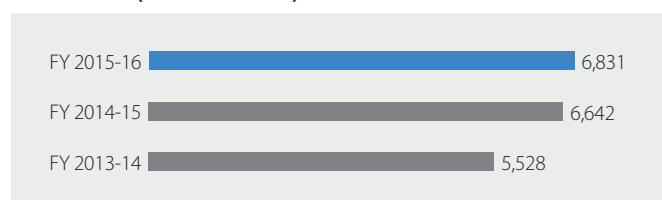
### Salt

The detailed analysis of salt and related products is covered in this report separately under - Others.

## FERTILISER BUSINESS AND OTHER AGRI INPUTS

### Revenue (standalone)

(₹ crore)

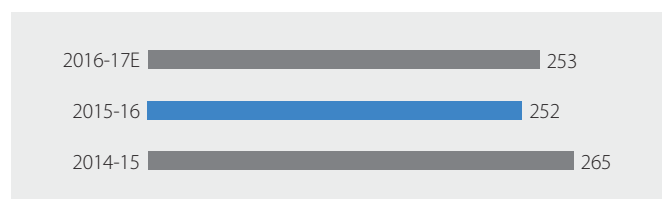


### Industry structure, developments and performance

The country witnessed a second consecutive drought year in FY 2015-16, due to prolonged El Nino conditions. The monsoon deficiency at 14% was higher than the previous monsoon's 12%.

### Food Grain Production - India

(Million Tonnes)



The fall in overall food grain production in FY 2014-15 at about 4.9% was exceptionally sharp. However, it is heartening that the fall has not only been arrested in FY 2015-16, but may actually witness some growth, due to a comparatively better Rabi season.

In spite of the two consecutive droughts, the food grain stock is still higher than 50 million tonnes (this was hovering around 20 million tonnes in 2005-08) and can be treated as a testimony to the growth of food grain production in India. These high stock levels buffered the citizens from being directly affected.

The situation, however, did have an adverse impact on demand for agri inputs. The depressed sentiments for commodities in the early part of the year combined with the fear of crop failure resulted in the farmers exercising abundant caution on spending and limiting it only to the bare essentials.

The industry, largely, views the last two years as an exception, indeed some segments like Water Soluble Fertilisers witnessed new entrants during the year. The specialty fertiliser sector also witnessed very intense competition this year. As the growth opportunities were limited, there was lot more stress on the price front, to capture volumes. However, this can be seen as an indication of the industry's growing realisation of the importance of specialty fertiliser in the basket of nutrients and also of an increasing awareness of the same among farmers - not only from the horticulture segment but also from the cereals segment. The Company has been a thought leader and early entrant in this segment and the current situation not only confirms its belief but also gives confidence on its long term view on this segment.

### Urea

The domestic production of Urea in FY 2015-16 at 24.5 million tonnes was 2 million tonnes higher than FY 2014-15. This remarkable growth was aided by an improved viability of volumes produced above the re-assessed production capacity. Urea imports into India at 8.5 million tonnes was marginally lower by about 0.2 million tonnes. The increased availability resulted in an increased sale of about 1 million tonnes (sales estimated at 32 million tonnes) and an increase of stocks with industry of 0.8 million tonnes.

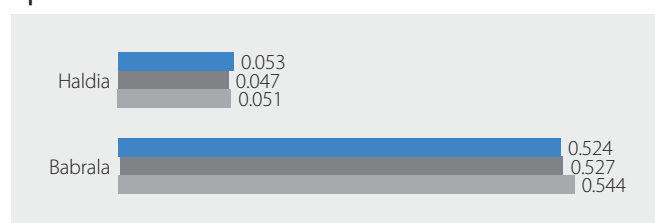
The year also saw increased activity from the Government in terms of advocating the New Urea Investment Policy. Only one producer has announced an expansion project. The Company continues to hold to its decision of not undertaking any new investment in Urea capacity, in view of uncertainties on policy, gas availability, etc.

During the year, the Government's New Urea Policy attempted to move industry towards a common set of energy parameters over the next 3-4 years. As a part of this exercise, the energy norms for the Company also were revised marginally downwards.

The Government also announced a Gas Pooling Mechanism during the year. Under this policy, the inputs for all natural gas based fertiliser plants will be recognised for subsidy on the basis of pool price, irrespective of their actual sources. The difference between their purchase price and the pool price is to be settled between the companies through GAIL (nominated as the pool operator).

### Specific Emission

(tonne CO<sub>2</sub>/tonne product)



■ FY 2015-16 ■ FY 2014-15 ■ FY 2013-14

## MANAGEMENT DISCUSSION & ANALYSIS

### Complex Fertilisers (DAP, NPK, SSP)

The controlled imports of DAP in FY 2014-15 meant that the year opened with reasonable stock position. Some early rains led to higher imports of DAP in advance of sales. Hence, the FY 2015-16 witnessed an import of 5.6 million tonnes of DAP, which was about 1.8 million tonnes higher than the previous year. The domestic production also increases by 0.4 million tonnes to 3.8 million tonnes. The sales of DAP at 9.7 million tonnes was 2.1 million tonnes higher than the previous year. However, considering the on ground conditions, the actual consumption is expected to be much lower.

NPK production witnessed a sharp increase in early part of the year, with the production in the first half being 30% higher than the similar period of the previous year. However, as the year progressed, production was scaled down and by the end of the year, overall production figures stood at 8.3 million tonnes compared to 7.8 million tonnes in the previous year, an increase of about 6.4%. The imports also increased from 0.3 million tonnes to 0.6 million tonnes.

The MOP segment witnessed serious demand erosion, with the overall imports falling from 4.2 million tonnes in FY 2014-15 to 3.2 million tonnes in FY 2015-16.

Exchange rates remained volatile throughout the year and contributed to pressure on the bottomline, especially in the MOP business where the prices are fixed on an annual basis. While the prices of DAP varied due to demand and also due to exchange rates, however, the price of Phosphoric Acid was not affected much, largely because of limited suppliers and the quarterly nature. This had a serious impact on production margins and frequent disruptions in production due to the non-viability of the product, compared to imports.

### Subsidy payments

FY 2015-16 ended with a large unpaid subsidy on account of the subsidy burden carried forward from the previous year. This has resulted in additional working capital during the year. The Subsidy outstanding at the end of the year stood at ₹1,901.33 crore. With a fertiliser subsidy budget of ₹ 70,000 crore next year, the situation is unlikely to improve.

### De-regulated portfolio

The increase in food demand can be met only by improving the productivity. To this end, the Company, along with its subsidiary Rallis, offers a unique and diverse product portfolio in non-regulated branded agri inputs space ranging specialty nutrients, pesticides, seeds and farm services.

The deficiency level of secondary and micro nutrients in Indian soils have reached a critical level and together with low organic carbon content of Indian soils, it has started to affect the nutrient use efficiencies. Better yields can be achieved only through better nutrient management practices, viz. use of high nutrient efficient fertilisers like water soluble fertilisers, PGRs, secondary and micro nutrients and soil amelioration methods using organic manures. The seed replacement rate and use of hybrid seeds is showing an increasing trend. The unavailability of agricultural labour is driving an increase in usage of herbicides.

As mentioned earlier, this segment is attracting attention of many domestic and international players. The Company will continue to have focus on non-regulated branded agri-inputs space in FY 2016-17 by providing high quality agri-inputs and solutions to farmers.

### Customised Fertilisers

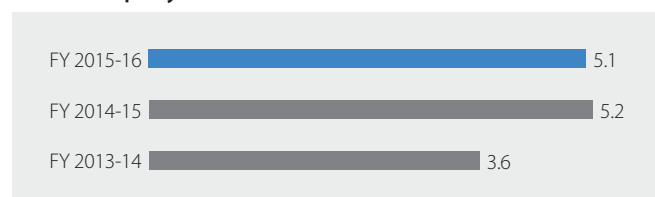
Customised fertilisers are crop and region specific fertilisers carrying macro and micro nutrients providing holistic solutions to mitigate the deteriorating soil health. In this context of depleting NPK balance in soil and worsening deficiencies of secondary and micro nutrients there is great relevance for the product. The Government is giving greater emphasis on balanced nutrition.

Despite receiving a favourable feedback from farmers on convenience of use, increased yield, improved quality of the produce etc., the sales have been low due to the initial hesitation in adopting a new fertiliser application practice. The Company is continuing its efforts in popularising the product by targeting selected clusters and following focused awareness building activities in those areas. In the FY 2015-16, the Company could sustain the volumes inspite of availability of competing products at much lower price points.

The Company has received good support as well as documented recommendations regarding adoption of the sugarcane grade through continuous interaction with sugar mills and Government agencies. The Company is hopeful that sustained efforts will help it to strengthen the brand further.

### Brand Equity- PARAS

Scale: 1 to 10; 10 being highest



### Tata Kisan Sansar (TKS) and Rallis Kisan Kutumb

TKS, a dedicated franchisee retail network model for distribution of agri inputs provides a trust worthy store offering “One Stop agri input and services” to farmers. The franchisees also act as active agents for knowledge transfer and adoption of best management practices. They provide direct connect with the farmers to understand their changing needs and tailor products and services accordingly. TKS also offers farm advisory services, subsidised Soil Testing, Hello Krishi-mobile based agri information service, Smart Krishi- service offered to the farmer for certain critical farm operations with the use of latest technology and well researched farm practices. TKS has a unique farmer relationship management programme under TATA Kisan Parivar Membership (TKPM) programme. Currently, there are more than 800 TKS's in operation.

### Outlook

The Union Budget 2016-17 provides major focus on agriculture and rural India, with specific emphasis on water resources and irrigation. There has been an equal focus on agri-credit and interest subvention on farm credit (₹ 15,000 crore allocated towards interest subvention). Another notable feature was the allocation of ₹ 5,500 crore towards the new crop insurance scheme.

On the monsoon front, most global models are indicating continued weakening of El Nino conditions over the coming months and a chance of La Nina development by fall. All these signals are favourable for an above normal monsoon rainfall over the country during June to September, 2016. India Meteorological Department estimates that monsoon will be 106% of the long period average (LPA).

In light of the above, the consumption is expected to grow. The hindrances will be the lack of cash available to farmers in the first half of the year, as they are coming out of consecutive droughts. A high adoption of agri insurance and reforms in leasing rules could renew interest in agriculture. However, the budget was disappointing as far as the fertiliser sector was concerned. The fertiliser subsidy is pegged at ₹ 70,000 crore, which is a reduction of nearly ₹ 3,000 crore. Thus, the subsidy arrears by end of FY 2016-17 may cross ₹ 45,000 crore, forcing the industry to continue to depend on their own working capital borrowings. While the Economic Survey stressed on the need of reforms in the fertiliser sector, this budget has been silent on that, except for an announcement of a pilot project for Direct Benefit Transfer.

### Opportunities and threats

For FY 2016-17, the environment is expected to provide opportunities for growth in the regulated as well as the de-regulated segments. In the long run, increasing consumption provides substantial opportunities for the Branded Agri Business, in terms of higher value speciality inputs for better quality agri produce. The increasing need for mechanisation is also an opportunity for which various models are being reviewed.

FY 2016-17 is expected to open with an inventory overhang in the P&K segment; which may pose a challenge to selling prices and credit terms. With good consumption the situation can be expected to normalise. In the Urea segment, no short term threats are envisaged, as the domestic demand-supply gap will continue to exist till such time that new capacity is added to achieve self-sufficiency.

The falling gas prices and the falling international prices for Urea also do not appear to be a concern given the highly energy efficient plant in Babrala.

### Risks and concerns

The margins from Haldia operations, being a function of imported prices for the comparable products and the input prices primarily Ammonia and Phosphoric Acid continues to be a cause of concern going ahead. The high credit and forex exposure on bulk trading continues to be concern. The growth in non-regulated segment brings to fore the challenges in terms of quality management of third party sourced products. High subsidy and market outstanding continues to be a cause of concern leading to high working capital and interest cost eating the profit margins.

### Rallis

The Indian crop protection industry, which has been growing at a CAGR of 8%, suffered severe reversals in recent years due to back to back droughts. The domestic industry is estimated to have registered a negative growth in FY 2015-16 compared to the previous year, with most southern states and Maharashtra severely affected. This has led to challenging business scenario with the industry carrying higher levels of inventories compared to the previous year.

Cotton and Paddy crop segments registered a decrease during the year due to water shortage and led to decreased acreages. Pest pressure was also low. Cotton crop in North India was severely affected by White Fly pest menace; the change in pest occurrence affected overall spraying practices. Pulses crop segment improved over last year due to increase in the Minimum Support Price (MSP) and good commodity prices. Several molecules were adversely affected, largely on account of decreased pest occurrence and price pressure in the markets.

Despite challenging market conditions, the branded Domestic Formulation Business of Rallis held on to revenues at the same level as in the previous year. The new products introduced in the market have been well received, despite tough market conditions. Rallis' focus during FY 2015-16 was to improve its reach and penetration, with a view to increase the market share in spite of a sluggish season.

Indian seed industry has grown at over 15% for the past 5 years and was at ₹ 15,000 crore for FY 2015-16. Rallis, along with its subsidiary Metahelix is focusing its efforts on establishing its own seed brands in various segments of cotton, rice, maize, millet, wheat and mustard.

## MANAGEMENT DISCUSSION & ANALYSIS

High potential segments and geographies have been identified and suitable products selected to establish seed brands, with the support of consistent, strong and extensive field activities.

A significant drop in the yield and quality of crops in the country has brought into focus the need for promoting the balanced use of fertilisers, and continued education of the farmer about the deficiencies of secondary and micronutrients in the soil. Indiscreet agricultural practices in many parts of the country have increasingly led to removal of secondary and micronutrients from the soil and multiple nutrient deficiencies, which are becoming major constraints on raising agricultural production. As a move towards sustainable agriculture, Rallis is increasing its focus on plant growth nutrients. Rallis has a wide range of specialty nutrient products and is focused on greener and cleaner products to address sustainable agriculture. These products will not only address the concerns of deteriorating soil health and crop health concerns, but also facilitate catering to small and marginal farmers.

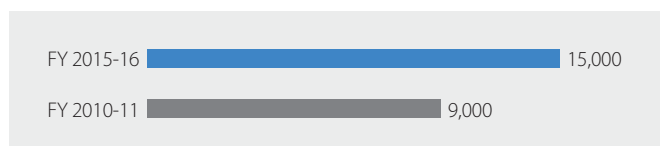
Globally, crop protection sales in almost all regions declined, with the highest fall occurring in Europe and Latin America. Conditions in Ukraine improved, however, economic weakness affected the Russian market. The USA market was again affected by a delayed start of sowing, impacting the pre-emergence herbicide market. Canada suffered from high crop stocks and low prices as well as cool dry summer. Mexico has benefitted from better rainfall than in 2014.

Various factors like variable weather patterns, drought / El Nino phenomenon, lower prices of agricultural commodities, high inventory levels at distributor level in many countries, strengthening of US dollar, including a weak monsoon resulted in the on-going steep decline in global crop protection market during 2015 to 51 billion USD, from 56 billion USD in 2014.

Despite the adverse conditions, Rallis' international business recorded sales of over ₹ 400 crore during the year, contributing to 25% of its overall revenues. Rallis' is focusing on building a business platform on contract manufacturing for leading global players. During the year, discussion and activities with some leading companies progressed well. There are several projects which are at various phases of evaluation.

### Domestic Demand for Seeds

(₹ crore)



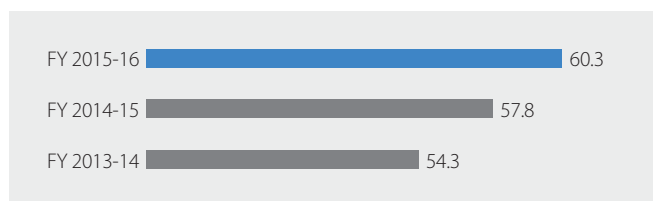
## OTHERS

### Consumer Products Portfolio

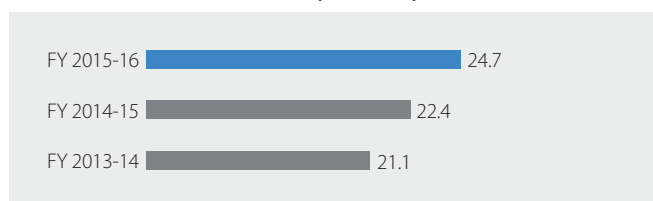
#### Industry structure and developments Salt

The estimated current annual consumption of edible salt in India is 5.9 million tonnes<sup>^</sup>. The demand for edible salt is expected to grow at a rate of around 1.5%<sup>^</sup>. Of the total edible salt consumption, it is estimated that 65% of sales is in packaged form with the remainder in loose form or under local labels. There is increasing consumer awareness about the need for better product quality, visible purity, adequate saltiness, free flowability and iodine content which is causing a gradual change from unbranded to branded salt. Pioneering efforts are being observed in the fortification area, with salt as a carrier of micronutrients - Tata Salt Plus, an Iron fortified Iodised salt, being one such example. (<sup>^</sup>Source: Estimation shared by Indian Salt Manufacturing Association and Salt Commissioner's office).

#### Tata Salt Market Share (National Branded)\* (%)



#### Tata Salt Market Share (overall)\* (%)



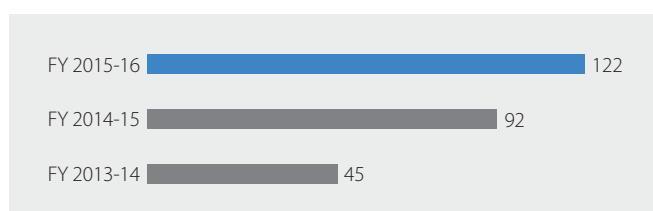
\* As per updated Nielsen Panel data (FY 2015-16)

### Pulses

India produced over 18 million tonnes of pulses and imported over 4 million tonnes to fulfil an annual demand estimated at over 22 million tonnes in the current year. A large proportion (99%) of the overall pulses market is still unbranded. However, with increasing consumer

#### Pulses- Number of outlets

('000)



awareness about the importance of pulses quality in their diet, there is an increased demand for branded packaged pulses, driving further growth, and many business houses have entered the market in the last couple of years.

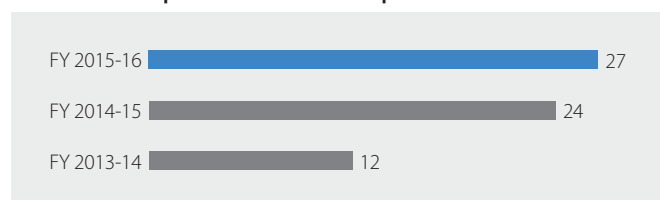
### Spices

Though almost 75% of the market is unbranded, the branded segment is growing at a rate of 26% p.a. in terms of value. This shift from the unbranded to branded segment is being driven by increasing need for convenience and hygiene, and is catered to by a clutch of strong regional brands. Within the branded spices market, Blends are expected to outgrow Pures in terms of value over the next 5 years due to increasing consumer adoption of Blends.

### Water Purifier Business

Water purifier category size in India is estimated to be at ~ ₹ 3,500 crore. Out of this, the value of Non electric, gravity storage purifiers is estimated to be at ~ ₹ 800 crore. The growth for next 5 years in Water Purifier is expected at ~20% CAGR.

### Number of products in CPB portfolio



### Product-wise performance

#### Salt and Related Products

The salt portfolio consolidated its leadership position in the market. Tata Salt continues to be the leader in the national branded salt segment and I-Shakti is the third largest brand in terms of market share. Overall, the salt portfolio commands a market share of 68.5% (12 months average) in the National Branded Salt segment with Tata Salt at 60.3% (Source: Nielsen retail Audit March 2016).

This has been achieved through sustained efforts in enhancing operational efficiencies of the supply chain, along with distribution and branding, which is evident in the distribution reach and overall brand performance metrics. Tata Salt continues to be the largest distributed brand with a reach of 16.8 lac retail outlets across India. In addition to this, constant brand building efforts through contemporising packaging, building visibility at retail and activations across media - traditional and digital, have helped strengthen the Tata Salt brand amongst consumers. This was reflected not just in a strong Brand Power score (in the top 5 percentile of TNS database), but also in the strong upward movement to the No. 2 position (from No. 13 position) in the Economic Times Brand Equity 'Most Trusted Brands'

survey, 2015 (Tata Salt was also ranked as the No. 1 food brand in the 'Most Influential Brands' study conducted by The Hindu Business Line for the year 2015). Tata Salt Lite continues to be the leading brand in the low sodium salt segment, with robust growth in volumes year on year. Tata Salt Plus, a double fortified salt that contains Iron and Iodine, was launched pan India during the year to address the widespread national health concern of Iron Deficiency Anaemia.

### Pulses

Tata I-Shakti was successfully re-launched as Tata Sampann, marking a significant step in the brand journey towards a profitable growth with a sharper and more relevant message to consumers of 'high protein' in dals. The Company also successfully established the 'low oil absorb' proposition for Tata Sampann Besan, making it a clearly differentiated offering in the market place. The brand grew aggressively in terms of both volume and value through focused marketing and distribution initiatives. The brand is now available at over 1,22,000 outlets pan India. Its unique 'Dal on Call' service has been revamped and is currently available in 4 cities: Mumbai, Delhi, Bangalore and Chennai.

### Spices

Tata Sampann Spices was successfully launched in October 2015, after a test launch in Punjab, Haryana and Himachal Pradesh in FY 2015. The superior product quality and unique 5-in-1 packaging are becoming the USPs for the brand. The range has been created using Chef Sanjeev Kapoor's expertise, and each variant has been crafted keeping regional consumer preferences in mind. The product is gaining traction and has garnered a market share of 1.2% (in markets where it was launched in October 2015). Currently, Tata Sampann Spices are available in 13 states across north, east and west India.

### Water Purifier Business

Water purifier business continues to expand its footprint in affordable drinking water segment through alternate marketing channels including NGOs.

### Outlook for the business

Taking forward the LEAP strategy framework created for the Company, the Consumer Products Business steadfastly continues to put in place key enablers to drive rapid business growth. The focus for the year would be on actions such as design and implementation of market specific distribution strategies, focused product and packaging development, integrated branding approach through campaigns that use multiple media touch points, digitising supply chain to make it more efficient and responsive, upgrading supply chain infrastructure and bringing greater focus to consumer engagement.

While the salt business continues to be the mainstay in terms of revenue generation, the fast growing foods portfolio is expected to contribute significantly to the overall business by the end of FY 2020. In terms of reach, the business intends to expand its retail

## MANAGEMENT DISCUSSION & ANALYSIS

footprint to 25 lac outlets from the current 16.8 lac outlets. This will be achieved through greater use of smaller SKUs, along with new Go-to-market models. In addition to growing the current retail network, the business is also focusing on Modern Trade and non-traditional channels such as e-Commerce, to ensure availability at a multitude of consumer touch points.

The business is also focusing on building powerful umbrella brands in the form of Tata Salt and Tata Sampann. Along with focus on marketing and distribution, the supply chain is being strengthened to ensure greater responsiveness and efficiency.

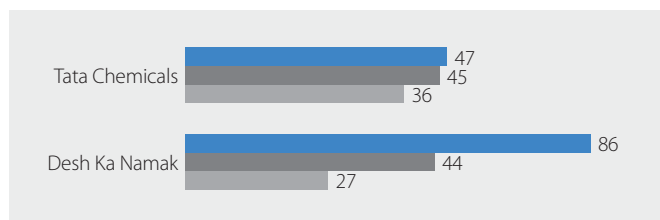
### Opportunities and threats

New go-to-market models and special cross functional teams are being deployed to develop our footprint in semi urban and rural markets as well as alternate distribution channels such as Modern Trade and e-Commerce. The ability to leverage raw material supplies, such as farm inputs, to support the foods business and extension of existing brands to new categories are opportunities identified for the business. Linking with Rallis, for sourcing, and integrated media campaigns focused on the umbrella brands in the salt and foods categories are some of the ways this can be achieved.

Competitive threats from branded and unbranded businesses are being addressed through the roll out of more value added products and by creating significant product differentiation. Media and consumer activations will also be used to drive brand differentiation. Cost inflation pressures across the value chain are being mitigated through network redesign and mechanisation.

### Facebook Likes

(‘000)



■ FY 2015-16 ■ FY 2014-15 ■ FY 2013-14

### Risks and concerns

The Company’s agri-produce based portfolio carries with it the inherent risk of market volatility in sourcing. Harvest time buying in key crops protects the business from fluctuations in the market and makes it competitive.

Food safety norms have become more stringent in the form of FSSAI guidelines. Due to the growth of modern trade and e-commerce, there is a risk of competition from private labels.

### Nutritional Solutions

The Nutritional Solutions business targets optimal nutrition through dietary solutions in the form of ingredients, formulations and personalised services. The initial focus is on ingredients and formulations that improve human digestive health and comprises prebiotics, such as dietary fibres and other complementary ingredients, and formulations that nutritionally enhance end-products of players in the food industry. Through extensive immersive partnering with customers, based on sharp consumer / customer insights and cutting-edge science and technology, the Company anticipates a growing future for this business.

FY 2015-16 was the first full year of operations of the green-field manufacturing unit at Sriperumbudur, near Chennai. During the year, the unit produced at above planned levels, producing and selling over 450 tonnes of Fructooligosaccharides (FOS) in India. The product is already being available in 92 Indian cities and serves 615 customers. Customer feedback has been positive and has translated into repeat orders from most customers. Additionally, customer inputs identified several complementary products that were subsequently added to the portfolio to maximise synergistic benefits. Overall, in this first full-year of operations, the business achieved a turnover of ₹ 8.09 crore.

During the year, the Company’s FOS received GRAS (Generally Recognised As Safe) approval status from US-FDA. This will allow FOS exports to customers in the USA.

The first clinical study on FOS has also been carried out and such studies will support product differentiation through unique claims in the marketplace.

## ANALYSIS OF FINANCIAL PERFORMANCE

### Financial Analysis of Tata Chemicals Limited (Standalone entity in India) for Year Ended 31st March, 2016

#### 1. Net Sales/Income from Operations:

(₹ in crore)

Particulars	FY 2015-16	FY 2014-15	Change	% Change
Sale of products	10,853	10,237	616	6
Other Operating Income	53	99	(46)	(46)
Less: Excise Duty	256	253	3	1
<b>Net Sales/Income from Operations</b>	<b>10,650</b>	<b>10,083</b>	<b>567</b>	<b>6</b>

Net sales increased by 6% during FY 2015-16 over FY 2014-15 due to higher sales volume of traded diammonium phosphate (DAP), salt and pulses and higher price of soda ash, salt and pulses.

The decrease in other operating income is mainly on account of one-time write backs accounted in the previous year and lesser receipt of market development and support fee in the current year.

## 2. Other Income:

(₹ in crore)				
Particulars	FY 2015-16	FY 2014-15	Change	% Change
Other Income	158	195	(37)	(19)

The decrease in other income is mainly due to gain on redemption of preference shares in the previous year and lower dividend income from subsidiaries / joint venture companies in FY 2015-16.

## 3. Cost of Materials Consumed:

(₹ in crore)				
Particulars	FY 2015-16	FY 2014-15	Change	% Change
Cost of materials consumed	3,261	3,779	(518)	(14)

Raw material consumption showed decrease of 14% during FY 2015-16 over FY 2014-15 mainly due to lower production volumes of urea and nitrogen phosphate potash (NPK) leading to decreased consumption of various gases, muriate of potash (MOP) & ammonia and lower prices of metcoke, regasified liquefied natural gas (RLNG) & ammonia.

## 4. Purchases of Stock-in-Trade:

(₹ in crore)				
Particulars	FY 2015-16	FY 2014-15	Change	% Change
Purchases of stock-in-trade	2,300	2,713	(413)	(15)

Cost of traded goods purchased decreased by 15% mainly on account of lower purchase volumes of traded DAP and traded MOP, offset partly by increase in traded volumes of Pulses.

## 5. Power and Fuel:

(₹ in crore)				
Particulars	FY 2015-16	FY 2014-15	Change	% Change
Power and Fuel	947	1,035	(88)	(8)

The decrease in power and fuel cost during FY 2015-16 over FY 2014-15 is mainly on account of decrease in prices of coal, petcoke & RLNG and decrease in production volumes of urea and NPK.

## 6. Freight and Forwarding charges:

(₹ in crore)				
Particulars	FY 2015-16	FY 2014-15	Change	% Change
Freight and forwarding charges	839	759	80	11

The increase in freight and forwarding charges during FY 2015-16 over FY 2014-15 is due to increase in sales volumes and increase in freight rates.

## 7. Other Expenses:

(₹ in crore)				
Particulars	FY 2015-16	FY 2014-15	Change	% Change
Other expenses	240	215	25	12

Other expenses have increased primarily due to increase in handling charges, agronomist expenses, professional fees and travelling expenses.

## 8. Investments:

(₹ in crore)				
Particulars	FY 2015-16	FY 2014-15	Change	% Change
<u>Traded investments</u>				
Investments in subsidiary companies	3,872	3,806	66	2
Investments in Joint ventures	166	166	-	-
Investment in Other Companies	397	391	6	2
Current investments	*	*	*	*
Less : Provision for diminution in value of investments	*	*	*	*
<b>Total Investment</b>	<b>4,435</b>	<b>4,363</b>	<b>72</b>	<b>2</b>

Increase in investments in subsidiary companies is on account of revaluation for exchange rate difference on preference shares of Bio Energy Venture-1 (Mauritius) Pvt. Ltd.

\* represents less than ₹ 1 crore and less than 1%

## MANAGEMENT DISCUSSION &amp; ANALYSIS

## 9. Inventories:

Particulars	(₹ in crore)			
	FY 2015-16	FY 2014-15	Change	% Change
Inventories	1,095	1,809	(714)	(39)

The inventories as on 31st March, 2016 are lower than the level of 31st March, 2015 by ₹ 714 crore primarily due to decrease in the stock of traded goods - DAP & MOP and raw material - MOP and rock phosphate.

## 10. Trade Receivable

Particulars	(₹ in crore)			
	FY 2015-16	FY 2014-15	Change	% Change
Trade receivable	2,599	2,515	84	3
Less : Provision for doubtful debts	46	29	17	59
<b>Net Trade Receivable</b>	<b>2,553</b>	<b>2,486</b>	<b>67</b>	<b>3</b>

The debtors as on 31st March, 2016 are higher by ₹ 67 crore than level of 31st March, 2015. The increase is mainly on account of increase in receivable at agri business and at pulses business.

## 11. Loans and Advances

Particulars	(₹ in crore)			
	FY 2015-16	FY 2014-15	Change	% Change
Long-term Loans and Advances	424	426	(2)	-
Short-term Loans and Advances	355	169	186	110
<b>Loans and Advances</b>	<b>779</b>	<b>595</b>	<b>184</b>	<b>31</b>

Short term loans and advances increased during FY 2015-16 mainly due to increase in advance to suppliers and deposits with government authorities.

## 12. Cash flow and Net Debt

Net Cash flow from operating activities: The net cash from operating activities is ₹ 444 crore during FY 2015-16 compared to ₹ 361 crore during FY 2014-15. The cash operating profit before working capital changes and direct taxes during FY 2015-16 is ₹ 1,216 crore compared to ₹ 1,128 crore during FY 2014-15. The change in working capital, during the financial year, was mainly due to increase in trade and other receivable.

Net Cash flow from investing activities: The net cash decrease from investing activities amounted to ₹ 120 crore in FY 2015-16 as against an increase of ₹ 14 crore in FY 2014-15. The decrease in FY 2015-16 is mainly on account of acquisition of fixed assets and lower dividend income.

Net Cash flow from financing activities: The net cash outflow from financing activities is ₹ 299 crore during FY 2015-16 compared to outflow of ₹ 778 crore during FY 2014-15. The outflow is mainly due to repayment of short-term borrowings and payment of dividend and finance costs.

## 13. Net Debt :

Particulars	(₹ in crore)			
	FY 2015-16	FY 2014-15	Change	% Change
Long-term Borrowings	1,420	1,739	(319)	(18)
Short-term Borrowings	1,298	976	322	33
Long term Borrowing payable within one year	325	-	325	100
<b>Total Debt</b>	<b>3,043</b>	<b>2,715</b>	<b>328</b>	<b>12</b>
Less : Cash and Bank balances	600	574	26	5
Less : Current investments	*	*	*	*
<b>Net Debt</b>	<b>2,443</b>	<b>2,141</b>	<b>302</b>	<b>14</b>

Net debt as on 31st March, 2016 is ₹ 2,443 crore compared to ₹ 2,141 crore as on 31st March, 2015. During the current fiscal year, the total debt increased by ₹ 328 crore compared to the balances as on 31st March, 2015 mainly due to increase in short term borrowings on account of delay in receipt of subsidy.

\* represents less than ₹ 1 crore and less than 1%

## Financial Analysis of Tata Chemicals Group (Consolidated) for Year Ended 31st March, 2016

## Profit and Loss Analysis

## 1. Net Sales:

Entity	(₹ in crore)			
	FY 2015-16	FY 2014-15	Change	% Change
Tata Chemicals Limited	10,597	9,984	613	6
Tata Chemicals Europe and Tata Chemicals Africa	2,342	2,279	63	3
Tata Chemicals North America Inc. (TCNA)	2,876	2,896	(20)	(1)
Indo Maroc Phosphore S.A., Morocco (IMACID)	602	571	31	5
Rallis India Limited	1,612	1,802	(190)	(11)
Others and eliminations	(492)	(619)	127	(21)
<b>Total</b>	<b>17,537</b>	<b>16,913</b>	<b>624</b>	<b>4</b>

## Comments:

Net Sales have increased by ₹ 624 crore during the year ended 31st March, 2016 primarily due to:

- Inorganic Chemicals: higher volumes of salt in India, soda ash in TCEL, improved realisation of soda ash from India, TCNA and

TCML and appreciating USD/GBP rates offset by lower volumes in TCML and TCNA.

- b. Fertilisers: higher volumes of traded DAP and improved realisation of urea offset by lower realisation of NPK and lower volumes of complex fertilisers viz. DAP, NPK, SSP and urea.
- c. Rallis India Limited - lower revenue due to lower volumes.

## 2. Cost of Material Consumed:

(₹ in crore)

Entity	FY 2015-16	FY 2014-15	Change	% Change
Tata Chemicals Limited	3,261	3,779	(518)	(14)
Tata Chemicals Europe and Tata Chemicals Africa	123	123	-	-
Indo Maroc Phosphore S.A., Morocco (IMACID)	447	420	27	6
Rallis India Limited	694	827	(133)	(16)
Others and eliminations	(178)	(309)	131	(42)
<b>Total</b>	<b>4,347</b>	<b>4,840</b>	<b>(493)</b>	<b>(10)</b>

### Comments:

Raw material consumption decreased by 10% during the year ended 31st March, 2016 primarily due to:

- a. Inorganic Chemicals: lower production volumes of soda ash in TCML and TCNA.
- b. Fertilisers: lower production volumes of complex fertilisers viz. NPK, SSP and urea.
- c. Rallis India Limited -due to lower volumes.

## 3. Purchase of Stock-in-trade:

(₹ in crore)

Entity	FY 2015-16	FY 2014-15	Change	% Change
Tata Chemicals Limited	2,300	2,713	(413)	(15)
Tata Chemicals Europe and Tata Chemicals Africa	494	438	56	13
Tata Chemicals North America Inc.	25	22	3	14
Rallis India Limited	98	160	(62)	(39)
Others and Eliminations	(358)	(280)	(78)	28
<b>Total</b>	<b>2,559</b>	<b>3,053</b>	<b>(494)</b>	<b>(16)</b>

### Comment:

The cost of traded goods purchased has decreased by ₹ 494 crore mainly due to decrease in purchase of DAP and MOP in India and decrease in purchase at Rallis.

## 4. Employee Benefit Expenses:

(₹ in crore)

Entity	FY 2015-16	FY 2014-15	Change	% Change
Tata Chemicals Limited	370	330	40	12
Tata Chemicals Europe and Tata Chemicals Africa	282	273	9	3
Tata Chemicals North America Inc. (TCNA)	566	494	72	15
Indo Maroc Phosphore S.A., Morocco (IMACID)	22	21	1	5
Rallis India Limited	132	129	3	2
Others and Eliminations	7	9	(2)	(22)
<b>Total</b>	<b>1,379</b>	<b>1,256</b>	<b>123</b>	<b>10</b>

### Comment:

The Staff costs increased in India mainly due to revised wages. Increase at TCNA due to increase in pension liability by ₹ 31 crore and ₹ 34 crore due to appreciating USD.

## 5. Power and Fuel:

(₹ in crore)

Entity	FY 2015-16	FY 2014-15	Change	% Change
Tata Chemicals Limited	947	1,035	(88)	(9)
Tata Chemicals Europe and Tata Chemicals Africa	496	643	(147)	(23)
Tata Chemicals North America Inc. (TCNA)	262	292	(30)	(10)
Indo Maroc Phosphore S.A., Morocco (IMACID)	12	8	4	50
Rallis India Limited	48	63	(15)	(24)
<b>Total</b>	<b>1,765</b>	<b>2,041</b>	<b>(276)</b>	<b>(13)</b>

### Comments:

Power and Fuel charges have decreased by 13% during the year ended 31st March, 2016 primarily due to:

- a. Inorganic Chemicals: lower production volumes of soda ash in TCML, TCNA and TCEHL offset by appreciating USD and GBP rates.

**MANAGEMENT DISCUSSION & ANALYSIS**

- b. Fertilisers: lower production volumes of complex fertilisers viz. NPK, SSP and urea, further decrease in price of RLNG gas and change in input mix i.e. increase in usage of RLNG as compared to APM gas.

**6. Other Manufacturing Expenses:**

Entity	(₹ in crore)			
	FY 2015-16	FY 2014-15	Change	% Change
Tata Chemicals Limited	2,746	1,189	1,557	131
Tata Chemicals Europe and Tata Chemicals Africa	726	782	(56)	(7)
Tata Chemicals North America Inc.	1,495	1,449	46	3
Indo Maroc Phosphore S.A., Morocco	72	69	3	4
Rallis India Limited	425	366	59	16
Others and Eliminations	29	(4)	33	(825)
<b>Total</b>	<b>5,493</b>	<b>3,851</b>	<b>1,642</b>	<b>43</b>

Other Manufacturing expenses represent the following:

Particulars	(₹ in crore)			
	FY 2015-16	FY 2014-15	Change	% Change
Stores, spare parts and consumables	706	728	(22)	(3)
Repairs	481	408	73	18
Royalty, rates and taxes	286	271	15	6
Commission, discounts and distributor's service charges	182	139	43	31
Sales promotion expenses	313	294	19	6
Freight and forwarding charges	1,983	1,911	72	4
Change in Inventory of work-in-progress and finished goods	456	(917)	1,373	(150)
Others(*)	1,086	1,017	69	7
<b>Total</b>	<b>5,493</b>	<b>3,851</b>	<b>1,642</b>	<b>43</b>

\* Others include insurance charges, rent, professional fees, foreign exchange (gain)/loss, hedging costs, travelling expense, provision for doubtful debts and advances, directors' fees/commission and other expenses.

**Comments:**

The other manufacturing expenses during the year ended 31st March, 2016 have increased by ₹ 1,642 crore compared to corresponding period in the previous year primarily due to the following:

- a. Movement in inventory change (WIP and finished goods) is primarily on account of decrease in stock levels in case of traded fertiliser (DAP, MOP) during period ended 31st March, 2016 as compared to stock level during the corresponding period.
- b. Commission, discounts and distributors' service charges increased primarily at Agri trading (sale increase), Haldia on account of cash discount and salt business (sale increase).
- c. Sales promotion expenses increased primarily at pulses and spices business on account of re-branding (I Shakti to Tata Sampann).
- d. Lower stores, spare parts and consumable mainly at TCL and TCE.
- e. Higher freight and forwarding expenses (higher volume of salt, traded DAP and due to higher freight rates)
- f. Higher royalty, rates and taxes (higher at TCNA) and repairs higher at India, TCNA and TCE.
- g. Increase in other expenses primarily consist of hedging and MTM cost (appreciating USD and GBP rates) and other expenses comprising water charges, travelling, professional fees, agronomists expenses, etc. increase at TCL.

**7. Finance Costs:**

Entity	(₹ in crore)			
	FY 2015-16	FY 2014-15	Change	% Change
Tata Chemicals Limited	194	187	7	4
Tata Chemicals Europe and Tata Chemicals Africa (TCE)	229	142	87	61
Tata Chemicals North America Inc. (TCNA)	92	91	1	1
Rallis India Limited	14	10	4	40
Others and Eliminations	23	31	(8)	(26)
<b>Total</b>	<b>552</b>	<b>461</b>	<b>91</b>	<b>20</b>

**Comments:** The increase in finance cost is mainly due to:

- a. Increase of LIBOR during the last two quarters.

- b. TCL : increase in interest cost on account of higher utilisation of working capital facility.
- c. TCE : MTM loss in respect of gas hedge for FY 2015-16 GBP 82 million (previous year Nil GBP)
- d. Rallis : increase in interest cost on account of higher utilisation of working capital facility.

**8. Other Notes:**

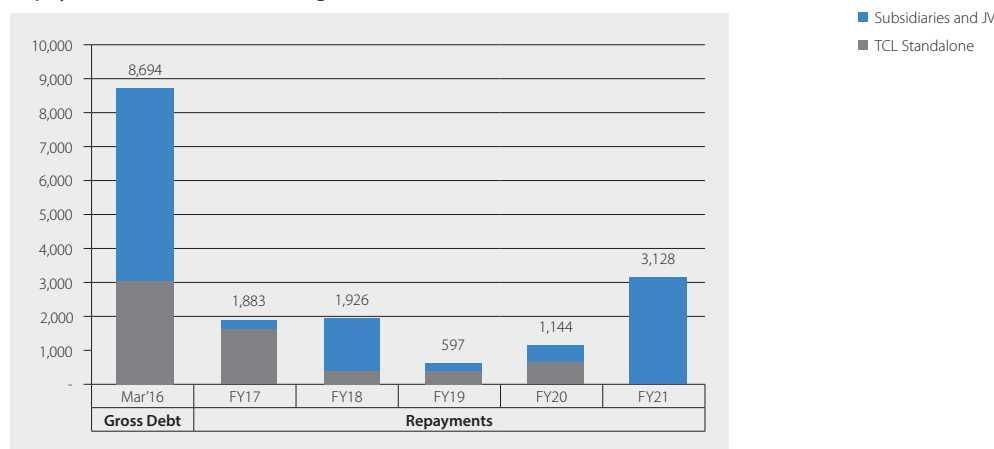
The actuarial gains and losses on the funds for employee benefits (pension plans) of the overseas subsidiaries have been consistently accounted in "Reserves and Surplus" in the consolidated financial statements in accordance with the generally accepted accounting principles applicable and followed in the respective country of incorporation. The Management is of the view that due to volatility and structure

of the overseas pension funds, it is not considered practicable to adopt a common accounting policy and deviation is as permitted by Accounting Standard 21 - Consolidated Financial Statements. Had the practice of recognising the actuarial gains and losses of pension plans of the overseas subsidiaries in the consolidated financial results been followed, the consolidated Net Profit before tax and Net Profit after tax of the Group would have been higher/(lower) by amounts as per table below:

	(₹ in crore)	
Impact on :	FY 2015-16	FY 2014-15
Consolidated net profit before tax and after minority interest	<b>68.99</b>	(285.18)
Consolidated net profit after tax and minority interest	<b>64.98</b>	(219.42)

**Total Debt and Repayment Schedule:**

Repayment schedule of existing debt



**Notes :**

- 1 Gross debt of ₹ 8,694 crore includes ₹ 1,520 crore on account of working capital loans.
- 2 The repayment schedule for term loans has been prepared considering the existing repayment terms. Some of these loans/facilities would be refinanced, in full or in part, from time to time in future depending on the requirement and the business plans.
- 3 Working capital loans, being revolving in nature, although have been shown as repayment during FY 2016-17, actual repayment/utilisation would depend upon the business requirements from time to time.

## MANAGEMENT DISCUSSION & ANALYSIS

### INNOVATION AND TECHNOLOGY

#### Innovation Centre

The Company established the Innovation Centre (IC) in 2004 to undertake research in applied sciences, with a view to seeding new businesses, using the principles of sustainability and green chemistry. To date, IC has filed for 66 patents out of which 16 have been granted.

The IC continues to work with Tata Chemicals business units; particularly in the nutritional solutions segment and consumer products unit (where it developed the low fat absorbing besan offering); other Tata companies and third parties as well as carrying out its own independent research and development activities.

#### Centre for Agri-Solutions and Technology

The Centre for Agri-Solutions and Technology (CAT) is an in-house Department of Scientific and Industrial Research (DSIR) (Ministry of Science & Technology, Government of India) recognised Research & Development Centre for Crop Nutrition & Agri business (CNAB) unit of the Company. It was set up primarily to develop innovative crop nutrition products and services; as well as providing advice to farmers on sustainable farming practices and technical knowledge back-up for the CNAB field force. The Centre is located at Aligarh, Uttar Pradesh (UP) and is equipped with a state-of-the-art Crop Nutrition Laboratory and is assisted by trained technical personnel engaged in field experiments in about 10 states.

### HUMAN RESOURCES

Over the past couple of years, the business environment has become increasingly complex and challenging. The Company's human capital, which is so integral to its transformational strategy has exhibited a remarkable resilience and has established very creditable achievements. As a result of the restructuring within the organisation, there is now a greater traction on people related issues as the Company goes forward. The future holds more exciting yet challenging times as the organisation is poised to grow, supported by the LEAP program. The achievement of the Company's growth objectives will depend largely on the ability of its employees to connect closely with its customers and deliver value through innovative offerings at competitive costs.

In order to deliver these outcomes, the Company has adopted a holistic approach to managing its workforce; through focusing on synchronising the multiple elements of talent sourcing, work design and processes, performance management, talent management, competency building and rewards and recognition. All of these are supported by operating in a collaborative environment of trust and ownership.

To be in sync with the current business model and to strengthen strategy execution, the Company restructured various roles across the business units and support services. It has brought in talent with specialised skills in Food & Nutrition science, Consumer

Insights, Digital Marketing, IT technologists, Business Development, Agri-Specialists, etc.

The Company strongly believes that sustainable competitive advantage for each of its businesses is only possible by constantly investing in building the capability of its people. Therefore, efforts are geared towards enhancing workforce capabilities across the entire spectrum of skills, be it the frontline operational and sales force or managerial and functional / business leadership levels across the organisation.

Training continues to be an important focus area and a blend of classroom and on-the-job training is extended. Other developmental activities include job rotations, projects, deputations, cross functional assignments and exposure through seminars, conferences, access to memberships of professional bodies and partnership with industry and academic bodies. Employees have the option of taking a sabbatical for pursuing developmental goals. Learning is also supplemented through the use of online and mobile learning platforms such as SkillSoft and Quizbiz.

To meet the long term growth aspirations of key talent in the Company, "Springboard" the Company's Talent Development process is in place which uses the 3E framework of Education-Experience-Exposure to meet their development needs.

Besides career growth, the Company is working on other key drivers of employee engagement. For instance, the frequency and quality of communication with employees has undergone a refreshing change in content, tone and tenor. Quarterly business updates, Monthly MD's LEAP Post, Town Halls, GET interactions, Let's Chat, Coffee & Conversations, Confluence, TCL Tube, Screen savers etc. - all such initiatives serve to reinforce employee connect and trusting relationships.

As the workforce profile undergoes a change, the Company has modified / introduced policies that address the changing needs and aspirations - notably among them are policies relating to flexible work timings, enhanced medical cover, employee referrals, Long service awards, etc. along with Simpli-5 which address work process simplification - all of these ushering in a refreshing change from the older rule and transaction-based relationship to one of mutual trust and collaboration. Multiple interventions at the workplace have brought in the element of health and wellness. Further, the rewards and recognition process is now aligned to bring to the forefront individuals and teams who display the Company's values of SPICE (Safety, Passion, Integrity, Care and Excellence) in their interactions with all the key stakeholders.

Last year through a process of dialogue and mutual trust, the Company continued to enjoy a harmonious industrial relations climate helping

it to address routine operational issues in a smooth manner and work towards enhancing productivity, safety and compliance levels.

Employees also have many opportunities to engage themselves with activities outside of routine daily work responsibilities through events and initiatives like quizzes, competitions, assessments, and programmes like offsite visits, LSS (Lean Six Sigma) ICON, Ethics Month, Sustainability and Volunteering, both at the Company and at the Group level.

Efforts are on-going to make TCL an aspirational and preferred employer of choice for our current and future employees. The Company believes that the foundations of its Employer Value proposition go from its Brand promise, the progressive and employee friendly policies, learning, growth and development opportunities provided, the camaraderie at the workplace, and in the ethical and fair treatment that is extended to all our stakeholders. Efforts over the year has seen the Company register quite significant positive shifts in its Employee Engagement scores and Tata Chemicals was also listed among Aon Hewitt's India Best Employers 2016 listing. This motivates the Company to continue enhancing the value proposition it can offer.

The overall head count as on 31st March, 2016 is 4306, spread across 3,102 in India, 559 in North America, 393 in UK, 249 in Kenya and 3 in Singapore.

## SAFETY AND HEALTH

Safety is one of the core values at Tata Chemicals. The Company is committed to continuously improve its safety performance by targeting Zero Harm: Zero Harm to People, Zero Harm to Asset and Zero Harm to Environment, through world class safety practices. "Target Zero Harm" continues to be the focus across geographies which helped us to align the safety improvement initiatives to a common goal of Zero Harm.

The Company has a Board level 'CSR, Safety and Sustainability Committee' for exclusive oversight in this area. The Board provides valuable direction and guidance to the management to ensure that Safety and Sustainability implications are properly addressed in all new strategic initiatives, budgets, audit actions and improvement plans. The senior leadership also plays a critical role in encouraging positive attitudes towards safety and help in creating an environment that fosters safety culture, by setting the direction, establishing clear and transparent policies such as the Corporate Sustainability Policy, SHE Policy, Cardinal Rules of Safety and TataChem Golden Rules of Safety. The Company has adopted voluntary standards such as Tata Group Safety Standards, Responsible Care, OHSAS - 18001, ISO - 14001, Dupont Safety standards, British Safety Council guidelines, AIChE-CCPS Process Safety Management guidelines, to ensure

continual improvement in the SHE performance. Senior managers seek to demonstrate effective safety and health leadership from line functions and have integrated the same with their responsibilities and daily duties.

In FY 2015-16, Mithapur and Haldia received Sword of Honour from British Safety Council and Babrala was recertified for 5-Star rating for their Health & Safety Management System. Tata Chemicals India operations also retained their Responsible Care (RC) logo for a period of 3 years. Mithapur continued with Suraksha Jyot, an innovative safety excellence initiative, to review the hazard-risk assessment, effective implementation of mitigation plans, and its communication to the workforce in a focused manner. Haldia continued with SRESHTO (Securing Reliability of Equipment and Structure at Haldia through Team Spirit and Obsession), to address the issue of ageing assets and to continue to ensure safe working environment. Babrala site is adhering to Process Safety Management guidelines in a deliberate manner. Nutritional Solutions plant at Sriperumbudur is working on implementing and standardising safety practices. Safety Amnesty program of Tata Chemicals Europe has ensured good level of employee engagement to improve safety performance.

Sadly, Magadi witnessed a fatal incident at the lake and a major rail incident involving employees and contractors. TCL India operations achieved a TRI free (Total Recordable Injury) 4 months for the year.

For employees, regular health check-ups are conducted based on work area hazards, to monitor all aspects of health including occupational parameters. Employees working in hazardous areas undergo health check-ups twice a year while others undergo annual check-ups. For non-site, a free medical check-up is available for employees above 40 years of age once every year. For employees between 30-40 years of age are also eligible for free health check-ups once every two years.

## SUSTAINABILITY

### Business Responsibility Report (BRR)

In accordance with Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the inclusion of BRR as a part of the Annual Report is mandated for top 500 listed entities for the year 2015-16 based on the market capitalisation. Although the BRR is not mandatory for the Company for the year 2015-16, as a responsible corporate citizen, it has decided to voluntarily prepare the BRR in the format prescribed by SEBI. The Company's BRR will be available on its website [www.tatachemicals.com](http://www.tatachemicals.com). Any shareholder interested in obtaining a physical copy of the same may write to the General Counsel & Company Secretary at the registered office of the Company.

### Sustainability reporting

The Company strives to be a leader in corporate sustainability and

## MANAGEMENT DISCUSSION & ANALYSIS

continues to focus on the triple bottomline. One of the key elements of sustainability is ensuring transparency and disclosures. The Company continues to use the GRI-G4 guidelines as a basis for informing all stakeholders our sustainability performance. The Company plans to publish its seventh Sustainability Report for FY 2015-16 in the public domain shortly. It will integrate reporting on sustainability from all geographies covering operations in India, US, UK and Kenya. The Company's sixth Sustainability Report can be viewed on our website [www.tatachemicals.com](http://www.tatachemicals.com)

### United Nations Global Compact (UNGC)

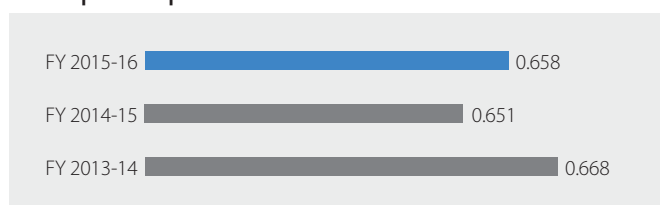
The Company is a signatory to the UN global compact that promotes ten principles in the areas of human rights, labour standards, environment and anti-bribery. The Company has been preparing and uploading the Communication on Progress (COP) since 2005. The Company continues its commitment to the UN global compact and will submit its COP on the ten UNGC principles for FY 2015-16. The details of UNGC can be viewed on [www.unglobalcompact.org](http://www.unglobalcompact.org) and on the Company's website [www.tatachemicals.com](http://www.tatachemicals.com).

### Carbon Disclosure Project (CDP)

CDP's carbon action initiative believes the companies to implement cost-effective greenhouse gas emissions reduction initiatives in line with emerging best practice. It is becoming increasingly important that they are able to evaluate exposure of a specific company to the material risks and opportunities presented by climate change, both in its direct operations and in its value chain.

The Company uses the power of measurement and information disclosure to improve the management of environmental risk. The Company has been responding to CDP since FY 2008-09 and is consistently maintaining its position under the Carbon Disclosure Leadership Index (CDLI) since FY 2010-11. The Company commenced CDP water reporting in FY 2012-13. CDP's supply chain program enables organisations to implement successful supplier engagement strategies, reduce upstream emissions, control water impact and manage risk in a changing climate.

### Enterprise Specific Emission (tonnes CO2/tonnes products)



## BUSINESS EXCELLENCE

The Company remains committed to continually raise the bar on performance in all aspects of the business. The Tata Business

Excellence Model (TBEM) serves as a pivotal framework that allows the Company to gain insights into its performance and establish continuous improvement initiatives for attaining superior business results and maximising satisfaction and value to the customers. The TBEM framework covers six core aspects of the business: Leadership, Strategic planning, Customer focus, Measurement, Analysis and Knowledge Management, Workforce focus and Process Management. For a global organisation which has its manufacturing operations spread across four continents, with diverse business segments and employees from different cultures, TBEM serves as a platform to establish a common standard of excellence. The Company participates annually in the Tata Group level TBEM assessments, which provide valuable inputs into the strengths and areas of focus for the Company to strengthen the culture of excellence and progress towards becoming a world class organisation.

## INTERNAL CONTROLS

The Company has robust systems for internal audit, risk assessment and mitigation and has an independent Internal Audit Department with well-established internal control and risk management processes both at the business and corporate levels. The Chief - Internal Audit and Risk Officer reports directly to the Chairman of the Audit Committee of the Board of Directors, which ensures process independence.

Internal Audit function plays a key role in providing to both the operating management and to the Audit Committee of the Board, an objective view and reassurance of the overall control systems and effectiveness of the Risk Management processes across the Company and its subsidiaries. Internal Audit also assesses opportunities for improvement in business processes, systems and controls and provides recommendations designed to add value to the operations.

The scope and authority of the Internal Audit Department is derived from the Audit Charter approved by the Audit Committee. Internal Audits are performed by an in-house team of multidisciplinary professionals comprising Chartered Accountants and Engineer. Reviews are conducted on an on-going basis, based on a comprehensive risk-based audit plan, which is approved by the Audit Committee at the beginning of the year. The internal audit department which operates on a decentralised basis continuously monitors the adequacy and effectiveness of the internal control environment across the Company and the status of compliance with operating systems, internal policies and regulatory requirements.

The Audit Committee meets on a quarterly basis to review and discuss the reports submitted by the Chief Internal Audit & Risk Officer and also review closure of all agreed actions. The Audit Committee also meets the Statutory Auditors separately to ascertain their views on the adequacy and efficiency of the internal control systems.

The Company believes that every employee has a role to play in fostering an environment in which controls, assurance, accountability and ethical behaviour are accorded high importance. To supplement the reviews carried out by the Internal Audit teams, the Company follows a robust system of Control Self Assurance (CSA) (self-audit) which is carried out during the year. The CSA coverage includes all critical departments in the organisation.

The IT enabled CSA process provides a bottom-up approach and build up for the CEO CFO certification, as required by Listing Regulations, as well as helping create awareness of the importance of controls across a wide segment of the Company employees. This complements the Internal Audits conducted to ensure total coverage during the year.

### **RISK MANAGEMENT FRAMEWORK**

The following section discusses various dimensions of the Company's enterprise risk management. The risk-related information outlined in this section is not exhaustive and is for information purpose only. The

discussion may contain statements, which may be forward looking in nature.

The Company's business model is subject to uncertainties that could cause actual results to differ materially from those reflected in the forward looking statements.

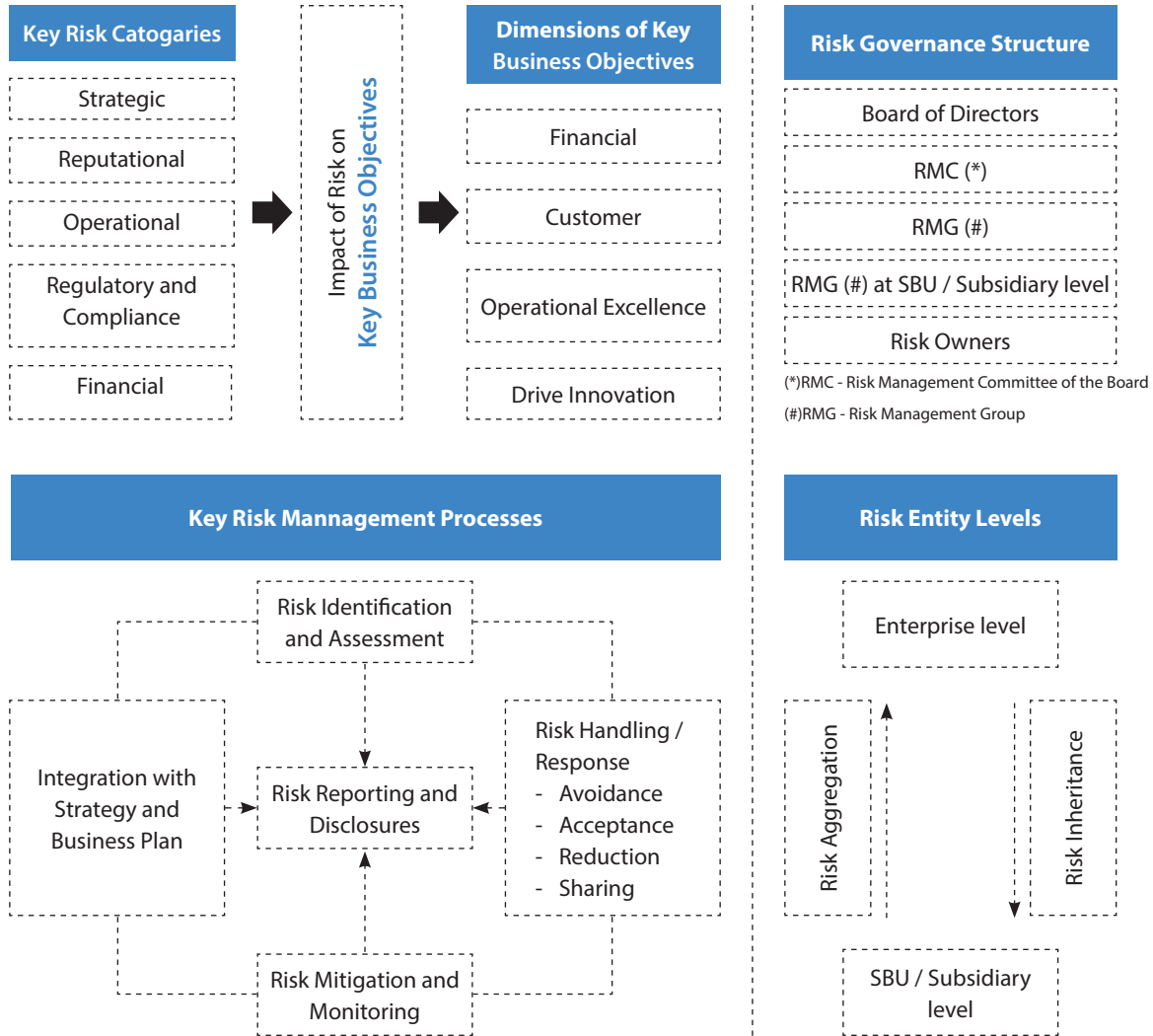
### **Overview**

Risk Management and Internal Audit functions complement each other. Enterprise Risk Management (ERM) at TCL seeks to minimise adverse impact on the business objectives and enhance stakeholder value.

Over the years, the ERM process has evolved into a robust exercise entailing a balanced bottom up and top down approach covering all units, functions and departments of the Company and its subsidiaries. The Company's risk identification and assessment process is dynamic and hence, it has been able to identify, monitor and mitigate the most relevant strategic and operational risks, both during periods of accelerated growth and recessionary pressures.

MANAGEMENT DISCUSSION & ANALYSIS

Key components of Risk Management Framework:



## RISK MANAGEMENT: GOVERNANCE STRUCTURE

The risk management framework works at various levels across the enterprise. The key roles and responsibilities regarding risk management in the Company are summarised as follows:

Level	Key roles and responsibilities
Board of Directors (Board)	<ul style="list-style-type: none"> <li>Reviewing and guiding risk policies of the Company</li> <li>Ensuring the integrity of the systems for risk management</li> </ul>
Risk Management Committee (RMC) at Board	<ul style="list-style-type: none"> <li>Overseeing the Company's risk management process and controls</li> <li>Setting strategic plans and objectives for risk management, risk philosophy and risk minimisation</li> <li>Reviewing compliance with policies implemented by the Company</li> <li>Reviewing risk assessment of the Company annually and exercising oversight of various risks including strategic risk, operational risks, market risk, etc.</li> <li>Oversight of the Company's Risk tolerance and Risk appetite</li> <li>Report and update to the Board periodically on various matters it has considered</li> </ul>
Risk Management Group (RMG) at Senior Management level	<ul style="list-style-type: none"> <li>Identification and review of enterprise risks from time to time, initiating mitigation actions, identifying owners and reviewing progress</li> <li>Identification and review of Risk appetite and Risk trigger (at Enterprise Level)</li> <li>Implementation of Risk reduction strategies</li> <li>Formulating and deploying Risk Management Policy</li> <li>Deploying practices for identification, assessment, monitoring, mitigation and reporting of risks</li> <li>Providing updates to RMC from time to time on the enterprise risks and actions taken</li> </ul>
RMG at Business Unit(BU) / Subsidiary level	<ul style="list-style-type: none"> <li>Reviewing respective BU / Subsidiary risks from time to time, initiating mitigation actions, identifying owners and reviewing progress</li> <li>Identification and review of Risk appetite and Risk trigger (at BU / Subsidiary Level)</li> <li>Implementation of Risk reduction strategies</li> <li>Deploying Risk Management Policy</li> <li>Deploying practices for identification, assessment, monitoring, mitigation and reporting of risks</li> <li>Providing updates to RMG and RMC level from time to time on the respective SBU Risks and actions taken</li> </ul>
Risk Owners	<ul style="list-style-type: none"> <li>Responsible for developing and acting on risk mitigation plan</li> <li>Providing periodic updates to RMC on risks with mitigation plan</li> </ul>

### Risk Categories

The following broad categories of risks have been considered in the risk management framework:

- Strategic Risk** - includes the range of external events and trends (like Government policy) that can adversely impact the Company's strategic growth trajectory and destroy stakeholder value
- Reputational Risk** - includes range of events that creates a mismatch between stakeholder expectations and his/her perception about the Company's performance around those expectations
- Operational Risk** - are those risks which are associated with operational uncertainties like failure in critical equipment, attrition, etc.
- Regulatory and Compliance Risk** - risks due to inadequate compliance with the regulations, contractual obligations and intellectual property violations leading to litigation and loss of reputation
- Financial Risk** - this covers financial risks facing the organisation in terms of internal systems, planning, funding, etc.

### Cautionary statement

Statements in the Management Discussion and Analysis describing the objectives, projections, estimates and expectations of the Company, its direct and indirect subsidiaries and its associates, may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand / supply, price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws, and other statutes and incidental factors.

# CORPORATE GOVERNANCE REPORT

## 1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value. In this pursuit, the Company's Corporate Governance philosophy is to ensure fairness, transparency and integrity of the management, in order to protect the interests of all its stakeholders.

Strong leadership and effective corporate governance practices have been the Company's hallmark and it has inherited these from the Tata culture and ethos. The Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Director. In addition, the Company has adopted a Code of Conduct for Non-Executive Directors. The Company's Corporate Governance philosophy has been further strengthened through the Tata Business Excellence Model, Governance Guidelines for Board Effectiveness, the Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Policy.

The Company has an active, experienced and a well-informed Board. The Board along with its Committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's corporate governance philosophy.

The Company is in compliance with the requirements stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and also the erstwhile Clause 49 of the Listing Agreement with regard to corporate governance.

## 2. BOARD OF DIRECTORS

### Composition of the Board

The composition of the Board of Directors of the Company is in conformity with the Listing Regulations and the Companies Act, 2013 ('the Act'). As on 31st March, 2016, the Board comprised eight Directors, out of which seven are Non-Executive Directors and one Managing Director. Out of seven Non-Executive Directors, five (i.e. 62.50%) are Independent Directors (including one woman Independent Director).

All Directors possess the requisite qualifications and experience in general corporate management, finance, banking, marketing and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company. Detailed profile of the Directors is available on the Company's website: [www.tatachemicals.com](http://www.tatachemicals.com).

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all the public companies in which he/she is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies. None of the Directors of the Company is related to each other.

None of the Independent Directors on the Board serve as an Independent Director in more than seven listed companies. All Directors are also in compliance of the limit on Independent Directorships of listed companies as prescribed in Regulation 25 (1) of the Listing Regulations. The Managing Director of the Company does not serve as an Independent Director in any listed company.

### Board Procedure

The annual calendar of Board Meetings is agreed upon at the beginning of the year.

In order to reduce paper consumption and maximum utilisation of technology, the Company has adopted a web based application for transmitting the agenda and pre-reads for the Board and Committee meetings. The Directors receive the agenda and pre-reads in electronic form through the application which can be accessed through the iPads. The said application is highly secured.

The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions and to discharge its responsibilities effectively. The Managing Director apprises the Board on the overall performance of the Company. The Board also, *inter-alia*, reviews the strategy, annual business plan and capital expenditure budgets, compliance reports of the laws applicable to the Company, review of major legal issues, internal financial controls and financial reporting systems, minutes of the Board Meetings of the Company's subsidiary companies, adoption of quarterly / half-yearly / annual results, transactions pertaining to purchase / disposal of property, major accounting provisions and write-offs / write backs, corporate restructuring, minutes of the meetings of the Audit and other Committees of the Board.

In addition to the information required under Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, the Board is also kept informed of major events and approvals are taken wherever necessary.

### Meetings Held

The Board met 8 (eight) times on the following dates during the Financial Year (FY) 2015-16:

25th April, 2015	6th November, 2015
27th May, 2015	17th December, 2015
5th August, 2015	10th February, 2016
20th October, 2015	22nd March, 2016

The gap between two meetings did not exceed one hundred and twenty days.

The Seventy-Sixth Annual General Meeting (AGM) of the Company was held on 11th August, 2015.

### Board of Directors

The composition and category of Directors, their attendance at the Board Meetings and at the last AGM held during the FY 2015-16 and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31st March, 2016 are as follows:

Name of the Director	Category of the Director	Number of Board Meetings held during the FY 2015-16	Number of Board Meetings attended during the FY 2015-16	Whether attended AGM held on 11th August, 2015	Number of directorships in other public limited companies*		Number of committee positions held in other public limited companies**	
					Chairman of the Board	Board Member	Chairman of the Committee	Committee Member
Mr. Cyrus P. Mistry DIN - 00010178	Chairman, Non-Independent, Non-Executive	8	7	Yes	9	-	-	-
Mr. R. Gopalakrishnan <sup>@</sup> DIN - 00027858	Vice-Chairman, Non-Independent, Non-Executive	8	5	Yes	-	-	-	-
Mr. Nusli N. Wadia DIN - 00015731	Independent, Non-Executive	8	6	Yes	4	3	-	-
Mr. Prasad R. Menon <sup>@</sup> DIN - 00005078	Non-Independent, Non-Executive	8	4	Yes	-	-	-	-
Mr. Nasser Munjee DIN - 00010180	Independent, Non-Executive	8	8 <sup>^</sup>	Yes	2	7	4	1
Mr. E. A. Kshirsagar DIN - 00121824	Independent, Non-Executive	8	8	Yes	-	6	5	1
Dr. Y. S. P. Thorat DIN - 02652734	Independent, Non-Executive	8	7	Yes	-	2	1	2
Ms. Vibha Paul Rishi DIN - 05180796	Independent, Non-Executive	8	8	Yes	-	8	-	4
Mr. Bhaskar Bhat <sup>§</sup> DIN - 00148778	Non-Independent, Non-Executive	8	4	NA	3	5	-	2
Mr. R. Mukundan DIN - 00778253	Managing Director	8	8	Yes	-	3	-	-
Mr. P. K. Ghose <sup>@</sup> DIN - 00034945	Executive Director & CFO	8	3	Yes	-	-	-	-

Notes:

\* Excludes directorships in associations, private limited companies, foreign companies, companies registered under Section 8 of the Act, Government Bodies and Alternate Directorships

\*\* Represents Chairmanships / Memberships of Audit Committee and Stakeholders Relationship Committee in listed as well as unlisted public limited companies

<sup>@</sup> Mr. R. Gopalakrishnan retired as a Vice Chairman and Director w.e.f. 25th December, 2015; Mr. Prasad R. Menon resigned as a Director w.e.f. from 21st October, 2015; and Mr. P. K. Ghose retired as an Executive Director & CFO w.e.f. from 30th September, 2015

<sup>^</sup> Mr. Nasser Munjee participated in 1 meeting through videoconference

<sup>§</sup> Mr. Bhaskar Bhat was appointed as an Additional Director w.e.f. 20th October, 2015

## CORPORATE GOVERNANCE REPORT

Shareholding of Directors as on 31st March, 2016 is as under:

Name of the Director	No. of Ordinary shares held	% of Paid-up Capital
Mr. Cyrus P. Mistry (Chairman)	16,000	0.01%
Mr. R. Mukundan (Managing Director)	500	0.00%

Apart from the above, no other Director is holding any shares in the Company. The Company has not issued any convertible instruments.

### Independent Directors

#### Terms and conditions of Independent Directors

All the Independent Directors of the Company have been appointed as per the provisions of the Act, Listing Regulations and the Governance Guidelines for Board Effectiveness adopted by the Company. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment have been disclosed on the website of the Company.

#### Familiarisation Programme for Independent Directors

The Company has a familiarisation programme for its Independent Directors. The objective of the programme is to familiarise the Independent Directors to enable them to understand the Company, its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. These include orientation programme upon induction of new Directors as well as other initiatives to update the Directors on a continuing basis.

Pursuant to the provisions of the Act and Regulation 25 (7) of the Listing Regulations, the Company has, during the year, conducted familiarisation programmes for its Independent Directors. The details of familiarisation programmes for Independent Directors are available on the Company's website on the following link : <http://www.tatachemicals.com/investors/policies/pdf/familiarisation-programme-hours.pdf>.

#### Separate Meeting of Independent Directors

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 22nd March, 2016 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 (3) of the Listing Regulations. At the Meeting, the Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;

- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Mr. Nusli N. Wadia, Mr. E. A. Kshirsagar, Dr. Y. S. P. Thorat and Ms. Vibha Paul Rishi attended the Meeting of Independent Directors. Mr. Nusli N. Wadia chaired the Meeting. Mr. Nasser Munjee participated in the meeting through videoconference.

#### Appointment / Re-appointment of Directors

As required under Regulation 36 (3) of the Listing Regulations, particulars of the Directors seeking appointment / re-appointment are given in the Explanatory Statement to the Notice of the AGM.

#### Code of Conduct

Whilst the Tata Code of Conduct is applicable to the Whole-time Directors and employees of the Company, the Board has also adopted a Code of Conduct for Non- Executive Directors, which incorporates the duties of Independent Directors as laid down in Schedule IV to the Act (Code for Independent Directors) and Regulation 17(5) of the Listing Regulations, both of which are available on the Company's website.

All the Board members and Senior Management of the Company as on 31st March, 2016 have affirmed compliance with their respective Codes of Conduct. A declaration to this effect, duly signed by the Managing Director, forms part of this report.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration that these Directors would be entitled under the Act as Non-Executive Directors, none of the Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates.

Senior Management of the Company have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

### 3. AUDIT COMMITTEE

The Audit Committee functions according to its Charter that defines its composition, authority, responsibilities and reporting functions.

All the items listed in Regulation 18 (3) read with Part C of Schedule II of the Listing Regulations and in Section 177 of the Act are covered in the terms of reference.

#### Terms of Reference

The terms of reference of the Audit Committee, *inter-alia*, are:

- Oversight of the Company's financial reporting process and disclosure of its financial information;
- Discuss and review, with the management and auditors, the annual/quarterly financial statements before submission to the Board;
- Review of the Company's accounting policies internal accounting controls, financial and such other matters;
- Hold timely discussions with external auditors regarding critical accounting policies and practices, significant reporting issues and judgements made, nature and scope of audit, etc;
- Evaluate auditors' performance, qualification, independence and effectiveness of Audit process;
- Recommend to the Board, the appointment, re-appointment, removal of the external auditors, fixation of audit fees and also approval for payment of audit and non-audit services;
- Review the adequacy of internal audit and risk management function;
- Review the adequacy of internal control systems and ensure adherence thereto;
- Provide guidance to the Compliance Officer for setting forth policies and implementation of the revised Tata Code of Conduct for Prevention of Insider Trading;
- Scrutinise inter-corporate loans and investments;
- Review the Company's compliance with the legal and regulatory requirements and the Tata Code of Conduct and effectiveness of the system for monitoring the same;
- Review the functioning of Whistle Blower Mechanism of the Company which shall include the Vigil Mechanism for Directors and employees to report genuine concerns in the prescribed manner;
- Review the significant related party transactions;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure and frequency of internal audit;
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee has been granted powers as prescribed under Regulation 18 (2) (c) of the Listing Regulations.

#### Meetings Held

During FY 2015-16, 8 (eight) meetings of the Audit Committee were held on the following dates:

15th April, 2015	3rd November, 2015
26th May, 2015	1st December, 2015
15th July, 2015	20th January, 2016
3rd August, 2015	9th February, 2016

The gap between two meetings did not exceed one hundred and twenty days.

## CORPORATE GOVERNANCE REPORT

## Composition and Attendance

Name of the Member	Category	No. of meetings attended
Mr. Nasser Munjee (Chairman)	ID	8
Mr. R. Gopalakrishnan*	NED	6
Mr. E. A. Kshirsagar	ID	8
Dr. Y. S. P. Thorat	ID	8

ID - Independent Director; NED - Non-Executive Director

Note:

\* Mr. R. Gopalakrishnan ceased to be a member w.e.f. 25th December, 2015 upon retirement

Mr. Nasser Munjee is an eminent Economist and leading banker. All members of the Audit Committee are financially literate and have accounting and related financial management expertise.

The Company Secretary acts as the Secretary to the Committee. The composition of the Committee is in conformity with Section 177 of the Act and Regulation 18 (1) of the Listing Regulations.

The Managing Director, Chief Financial Officer, Statutory Auditor, Chief-Internal Audit and Risk Management and Vice President & Group Corporate Controller attend and participate at all the meetings of the Committee. The Chief Operating Officers and Chief Human Resources Officer attend the meetings where Internal Audit Reports are discussed. The Committee from time to time also invites such of the executives, as it considers appropriate, to be present at the meetings.

During the year, the Committee reviewed the key audit findings covering operational, financial and compliance areas, internal financial controls and financial reporting systems to the Committee. The Chairman of the Audit Committee briefs the Board about the significant discussions at the Audit Committee meetings. The minutes of each of the Audit Committee are placed in the next meeting of the Board.

Mr. Nasser Munjee, Chairman of the Audit Committee, was present at the last AGM held on 11th August, 2015.

**Tata Code of Conduct for Prevention of Insider Trading**

The Company has adopted a revised Code of Conduct for Prevention of Insider Trading under the amended SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines for procedures to be followed and disclosures to be made while trading in securities of the Company. Mr. Rajiv Chandan, General Counsel & Company Secretary, has been appointed as the 'Compliance Officer' for ensuring the compliance with and for the effective implementation of

the Regulations and the Code across the Company. Mr. John Mulhall, Chief Financial Officer, has been designated as the 'Chief Investor Relations Officer' to ensure timely, adequate, uniform and universal dissemination of information and disclosure of Unpublished Price Sensitive Information.

The details of dealing in the Company's securities by Designated Persons are placed before the Audit Committee on quarterly basis.

**4. NOMINATION AND REMUNERATION COMMITTEE (NRC)****Terms of Reference**

The terms of reference of the NRC, *inter-alia*, are:

- Make recommendations to the Board regarding the setup and composition of the Board;
- Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Formulate criteria for evaluation of Independent Directors and the Board;
- Support the Board and Independent Directors, as may be required, in evaluation of the performance of the Board, its Committees and Individual Directors;
- Devise a policy on Board diversity;
- Recommend to the Board the appointment or reappointment of Directors;
- Recommend to the Board, the appointment of KMP and executive team members;
- On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team members of the Company;

- Review matters related to remuneration and benefits payable upon retirement and severance to the Managing Director/ Executive Director(s), KMP and executive team members;
- Oversee familiarisation programmes for Directors;
- Review HR and people strategy and its alignment with the business strategy periodically or when a change is made to either;
- Provide guidelines for remuneration of Directors on material subsidiaries;
- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of Board, KMP and executive team members;
- Perform other activities related to the charter as requested by the Board from time to time.

### Meetings Held

During FY 2015-16, 5 (five) meetings of NRC were held on the following dates:

27th May, 2015	4th November, 2015
9th July, 2015	22nd March, 2016
14th September, 2015	

### Composition and Attendance

The composition and the terms of reference of the NRC are in compliance with the provisions of Section 178 (1) of the Act and Regulation 19 of the Listing Regulations.

Name of the Member	Category	No. of meetings attended
Mr. Nusli N. Wadia (Chairman)	ID	5
Mr. Cyrus P. Mistry	NED	5
Mr. R. Gopalakrishnan*	NED	4
Mr. Nasser Munjee	ID	5 <sup>^</sup>
Mr. Bhaskar Bhat <sup>#</sup>	NED	NA

ID - Independent Director; NED - Non-Executive Director

Notes:

\* Mr. R. Gopalakrishnan ceased to be a member w.e.f. 25th December, 2015 upon retirement

<sup>^</sup> Mr. Nasser Munjee participated in 3 meetings through videoconference

<sup>#</sup> Mr. Bhaskar Bhat was appointed as a member at the Board Meeting held on 22nd March, 2016 after the NRC Meeting

Mr. Nusli N. Wadia, the Chairman of the NRC, was present at the AGM of the Company held on 11th August, 2015.

### Board and Director Evaluation

During the year, the Board has carried out an annual performance evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The NRC has defined the evaluation criteria, procedure and time schedule for the performance evaluation process of the Board, its Committees and Directors. The criteria for Board Evaluation include, *inter-alia*, degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various committees, effectiveness of Board processes, information and functioning.

### Criteria for Evaluation

Criteria for evaluation of individual Directors include aspects such as attendance and contribution at the Board / Committee meetings and guidance / support to management outside the Board / Committee meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all the Board members and motivating and providing guidance to the Managing Director. Criteria for evaluation of the Committees of the Board include degree of fulfillment of key responsibilities, adequacy of committee composition and effectiveness of meetings.

The procedure followed for the performance evaluation of the Board, Committees and Individual Directors is detailed in the Board's Report.

### Remuneration of Directors

The Company's philosophy for remuneration of Directors, KMP and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, KMP and other employees, which is aligned to this philosophy. The principles governing the Company's Remuneration Policy is provided in the Board's Report.

### Managing Director / Executive Director

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component) to its Managing Director and Executive Director. Annual increments are recommended by the NRC within the salary scale approved by the members of the Company and are effective 1st April each year. NRC recommends on the commission payable to the Managing Director and the Executive Director out of the profits for the financial year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the Managing Director and the Executive Director.

## CORPORATE GOVERNANCE REPORT

## Details of Remuneration:

Name of the Director	Salary (₹)	Perquisites and Allowance (₹)	Commission** (₹)	Retirement Benefits paid (₹)	Total Remuneration (₹)
Mr. R. Mukundan - Managing Director	78,00,000	1,38,43,958	2,30,00,000	NA	4,46,43,958
Mr. P. K. Ghose - Executive Director & CFO *	33,00,000	48,08,486	1,50,00,000	2,26,85,237	4,57,93,723

Notes:

\* Mr. P.K. Ghose retired w.e.f. 30th September, 2015

\*\* Commission relates to FY 2015-16, which will be paid during FY 2016-17

## Non-Executive Directors

During FY 2015-16, the Company revised the sitting fees from ₹ 20,000 per meeting to ₹ 30,000 per meeting to the Non-Executive Directors for attending each meeting of the Board, Executive Committee of the Board, Audit Committee and NRC; and for Stakeholders Relationship Committee, the sitting fees was revised from ₹ 5,000 per meeting to ₹ 20,000 per meeting. The Non-Executive Directors were paid ₹ 20,000 per meeting for attending each meeting of the CSR, Safety and Sustainability Committee, Risk Management Committee and Independent Directors Meeting.

The members have at the AGM of the Company held on 26th August, 2013, approved the payment of commission to the Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 1956. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at the meetings. The Company also reimburses the out-of-pocket expenses incurred by the directors for attending the meetings.

Details of Commission and Sitting Fees paid to the Non Whole-time Directors for the FY ended 31st March, 2016 is given below:

Name of the Director	Sitting Fees (₹)	Commission (for FY 2015-16 payable in FY 2016-17) (₹)
Mr. Cyrus P. Mistry	4,20,000	Nil*
Mr. R. Gopalakrishnan**	4,60,000	95,80,000
Mr. Nusli N. Wadia	3,60,000	35,35,000
Mr. Prasad R. Menon <sup>^</sup>	2,20,000	27,80,000
Mr. Nasser Munjee	5,20,000	56,50,000
Mr. E. A. Kshirsagar	5,40,000	39,30,000
Dr. Y. S. P. Thorat	6,20,000	39,25,000
Ms. Vibha Paul Rishi	2,40,000	19,00,000
Mr. Bhaskar Bhat <sup>#</sup>	1,50,000	12,00,000
<b>Total</b>	<b>35,30,000</b>	<b>3,25,00,000</b>

Notes:

\* Mr. Cyrus P. Mistry, being Executive Chairman of Tata Sons Limited, has not accepted any commission from the Company

\*\* Mr. R. Gopalakrishnan ceased to be a Director w.e.f. 25th December, 2015 upon retirement

<sup>^</sup> Mr. Prasad R. Menon ceased to be a Director w.e.f. 21st October, 2015 due to resignation

<sup>#</sup> Mr. Bhaskar Bhat was appointed as an Additional Director w.e.f. 20th October, 2015

As per the practice, commission to the Directors is paid after the annual accounts are adopted by the members at the AGM.

The Company has not granted any stock options to its Directors.

## Service Contracts, Severance Fees and Notice Period

Terms of Agreement of Managing Director	Mr. R. Mukundan
Period of Contract	5 years upto 25th November, 2018
Severance fees / notice period	The Contract may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance fees.

## Retirement Policy for Directors

The Governance Guidelines on Board effectiveness adopted by the Company provides for the retirement age of Directors. As per the Governance Guidelines, the Managing and Executive Directors retire at the age of 65 years, Non-Independent Non-Executive Directors retire at the age of 70 years and the retirement age for Independent Directors is 75 years subject to the tenure specified under Section 149 of the Act.

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

## Terms of Reference

The terms of reference of the Stakeholders Relationship Committee are as under:

- To look into redressal of investors' complaints and requests such as transfer of shares / debentures, non-receipt of dividend, annual report, etc.

- To resolve the grievances of the security holders of the Company.

### Meetings Held

During FY 2015-16, 2 (two) meetings of Stakeholders Relationship Committee were held on 3rd August, 2015 and 19th October, 2015.

### Composition and Attendance

Name of the Member	Category	No. of meetings attended
Dr. Y. S. P. Thorat (Chairman)	NED-ID	2
Mr. R. Mukundan	MD	2

*NED - ID - Non-Executive Director, Independent Director; MD - Managing Director*

Status of Investor Complaints as on 31st March, 2016 and reported under Regulation 13 (3) of the Listing Regulations, is as under:

Complaints as on 1st April, 2015	: 2
Received during the year	: 29
Resolved during the year	: 30
Pending as on 31st March, 2016	: 1*

\* As on 26th May, 2016, the Company has submitted Action Taken Report to SEBI and the same is pending for their review

The correspondence identified as investor complaints are letters received through statutory / regulatory bodies and letters pertaining to fraudulent encashment etc.

### Name, designation and address of the Compliance Officer

Mr. Rajiv Chandan  
 General Counsel & Company Secretary  
 Tata Chemicals Limited  
 Bombay House, 24 Homi Mody Street, Fort, Mumbai 400 001  
 Tel. No.: +91 22 66658282  
 Fax No.: +91 22 66658144  
 Email- investors@tatachemicals.com

On the recommendations of the Committee, the Company has taken various investor friendly initiatives like sending reminders to the investors who have not claimed their dividends, encourage dematerialisation of shares, etc.

## 6. EXECUTIVE COMMITTEE OF THE BOARD

### Terms of Reference

The terms of reference of the Executive Committee of the Board are as under:

- To periodically review the ongoing capital expenditure and the investments made by the Company;

- To examine new proposals for investments from the standpoint of their business and financial impact;
- To formulate the future strategic direction and business development of the Company.

In addition to the above terms of reference for this Committee, the Committee is expected to review the following items before they are presented to the Board:

- Business and Strategy of the Company;
- Long-term financial projections and cash flows;
- Capital and Revenue Budgets and Capital Expenditure programmes;
- Acquisitions, divestments and business restructuring proposals;
- Senior management succession planning;
- Any other item as may be decided by the Board.

### Meetings Held

During FY 2015-16, 3 (three) meetings of Executive Committee of the Board were held on 17th June, 2015, 14th September, 2015 and 9th March, 2016.

### Composition and Attendance

Name of the Member	Category	No. of meetings attended
Mr. Cyrus P. Mistry (Chairman)	NED	3
Mr. R. Gopalakrishnan*	NED	2
Mr. Nusli N. Wadia	ID	1
Mr. Prasad R. Menon*	NED	2
Dr. Y. S. P. Thorat	ID	2
Mr. Bhaskar Bhat^	NED	1
Mr. R. Mukundan	MD	3
Mr. P. K. Ghose*	ED & CFO	2

*ID - Independent Director; NED - Non-Executive Director; MD - Managing Director; ED & CFO - Executive Director & CFO*

Notes:

\* Mr. R. Gopalakrishnan ceased to be a member w.e.f. 25th December, 2015 upon retirement; Mr. Prasad R. Menon ceased to be a member w.e.f. 21st October, 2015 due to resignation and Mr. P. K. Ghose ceased to be a member w.e.f. 30th September, 2015 upon retirement

^ Mr. Bhaskar Bhat was appointed as a member w.e.f. 10th February, 2016

## 7. CSR, SAFETY AND SUSTAINABILITY COMMITTEE

### Terms of Reference

The terms of reference of the CSR, Safety and Sustainability Committee are as under:

- Review and monitor the sustainability, environmental, safety and health policies and activities across the Tata Chemicals group;

## CORPORATE GOVERNANCE REPORT

- Provide guidance to the management to ensure that all long-term strategic proposals made to the Board include safety, health, environment and sustainability implications;
- Investigate or cause to be investigated, any extraordinary negative sustainability, environment, health and safety performance or issues of asset integrity which can impact safety, health, environment and sustainability where appropriate;
- Formulate and recommend to the Board, a CSR policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII to the Act and have oversight over its implementation;
- Recommend the amount to be spent on CSR activities;
- Monitor the Company's CSR policy periodically.

The Board has also adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company. A CSR Report giving details of the CSR activities undertaken by the Company during the year along with the amount spent on CSR activities forms a part of the Board's Report.

**Meetings Held**

During FY 2015-16, 4 (four) meetings were held on 24th April, 2015, 15th July, 2015, 19th October, 2015 and 20th February, 2016.

**Composition and Attendance**

Name of the Member	Category	No. of meetings attended
Dr. Y. S. P. Thorat (Chairman) <sup>#</sup>	ID	4
Mr. Prasad R. Menon <sup>*</sup>	NED	3
Mr. Nasser Munjee	ID	3
Mr. Bhaskar Bhat <sup>^</sup>	NED	NA
Mr. R. Mukundan	MD	4

ID - Independent Director; NED - Non-Executive Director; MD - Managing Director

Notes:

<sup>#</sup> Dr. Y. S. P. Thorat was appointed as the Chairman w.e.f. 22nd March, 2016

<sup>\*</sup> Mr. Prasad R. Menon ceased to be Chairman and Member w.e.f. 21st October, 2015 due to resignation

<sup>^</sup> Mr. Bhaskar Bhat was appointed as a Member w.e.f. 22nd March, 2016

Chief-Safety and Chief-CSR & Sustainability are the permanent invitees to the meetings of the Committee. The General Counsel & Company Secretary attends the meetings.

**8. RISK MANAGEMENT COMMITTEE (RMC)**

Regulation 21 of the Listing Regulations mandates top 100 listed companies based on market capitalisation as on 31st March, 2016 to constitute the RMC. Although non-mandatory, the Company has constituted a RMC of the Board. The roles and responsibilities of the Committee are as per the Charter adopted by the Board and includes monitoring and review of the risk management plan and reporting the same to the Board periodically as it may deem fit, in addition to any other terms as may be referred by the Board, from time to time.

**Terms of Reference**

The terms of reference of the RMC are as under:

- Review the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management;
- Review and approve the Enterprise Risk Management (ERM) framework;
- Review the Company's risk appetite and strategy relating to key risks, including market risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks;
- Oversee Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels;
- Review and analyse risk exposure related to specific issues, concentrations and limit excesses, and provide oversight of risk across organisation;
- Review compliance with risk policies, monitor breach / trigger trips of risk tolerance limits and directs action;
- Nurture a healthy and independent risk management function in the Company;
- Oversight of operating subsidiaries.

**Meetings Held**

During FY 2015-16, 4 (four) meetings were held on 25th June, 2015, 26th August, 2015, 23rd November, 2015 and 25th January, 2016.

### Composition and Attendance

Name of the Member	Category	No. of meeting attended
Mr. E. A. Kshirsagar (Chairman)	ID	4
Mr. R. Mukundan	MD	4
Mr. P. K. Ghose*	ED & CFO	1
Mr. John Mulhall**	CFO	3
Mr. Sudhir Dalvi <sup>^</sup>	Chief- IA & RM	1

ID - Independent Director; NED - Non-Executive Director; MD - Managing Director; ED & CFO - Executive Director & Chief Financial Officer  
Chief- IA & RM - Chief - Internal Audit & Risk Management

Notes:

\* Mr. P. K. Ghose ceased to be a member w.e.f. 30th September, 2015 upon retirement

\*\* Mr. John Mulhall was appointed as a member w.e.f. 5th August, 2015

<sup>^</sup> Mr. Sudhir Dalvi ceased to be a member w.e.f. 5th August, 2015

The Company has a well-defined risk management framework in place. The risk management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis Chapter of this Annual Report.

### 9. SUBSIDIARY COMPANIES

Regulation 16 of the Listing Regulations defines a 'material subsidiary' as subsidiary, whose income or net worth exceeds

20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Under this definition, the Company does not have any unlisted material subsidiary incorporated in India. It is, therefore, not required to have an Independent Director of the Company on the Board of such subsidiary.

The subsidiaries of the Company function independently, with an adequately empowered Board of Directors and sufficient resources. For more effective governance, the Minutes of Board Meetings of subsidiaries of the Company are placed before the Board of the Company for its review on quarterly basis and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board.

Pursuant to the explanation under Regulation 16 (1) (c) of the Listing Regulations, the Company has formulated a policy for determining material subsidiaries which is disclosed on the Company's website at the following web link: [http://tatachemicals.com/investors/policies/pdf/material\\_subsidary.pdf](http://tatachemicals.com/investors/policies/pdf/material_subsidary.pdf).

### 10. GENERAL BODY MEETINGS

Location, day, date and time of AGMs held during the last 3 years and special resolutions passed are given as below:

Year	Location	Day, Date and Time	Special resolutions
2014-15	Birla Matushri Sabhagar, 19, Vithaldas Thackersey Marg, Mumbai 400 020.	Tuesday, 11th August, 2015 at 3.00 p.m.	There was no matter that required passing of Special Resolution
2013-14	Birla Matushri Sabhagar, 19, Vithaldas Thackersey Marg, Mumbai 400 020.	Thursday, 21st August, 2014 at 3.00 p.m.	(i) Approve borrowing limits of the Company (ii) Creation of Charge on the assets of the Company (iii) Offer or invitation to subscribe to Non-Convertible Debentures on Private Placement
2012-13	Birla Matushri Sabhagar, 19, Vithaldas Thackersey Marg, Mumbai 400 020.	Monday, 26th August, 2013 at 3.00 p.m.	Commission to Non Whole Time Directors of the Company

### Postal Ballot

During FY 2015-16, no resolution was put through by Postal Ballot. No special resolution is proposed to be passed through postal ballot.

6th August, 2015, for second quarter ended 30th September, 2015 the results were published on 7th November, 2015 and for the third quarter ended 31st December, 2015 the results were published on 11th February, 2016.

### 11. MEANS OF COMMUNICATION

The quarterly / half-yearly/annual results were published at least in one English newspaper on the next day of the meeting for that quarter i.e. for quarter and year ended 31st March, 2015, the results were published on 28th May, 2015, for the first quarter ended 30th June, 2015 the results were published on

The quarterly results are published in the Indian Express (English), Business Standard (English), Business Line (English), Loksatta (Marathi), Free Press Journal (English) and Navshakti (Marathi).

The financial results are displayed under 'Investor Relations' section of the Company's website viz.,

## CORPORATE GOVERNANCE REPORT

www.tatachemicals.com. They are also filed with the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited through BSE Online Portal.

The official press releases, presentation made to the members at the AGM, the presentation made to the institutional investors and analysts and the transcripts of the call with analysts for quarterly/annual results are available on the Company's website under "Investor Relations".

Management Discussion and Analysis forms part of the Annual Report.

### Company's Website

The Company's website is a comprehensive reference on Tata Chemicals' management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, updates and news. The section on 'Investor Relations' serves to inform the members by giving complete financial details, annual reports, shareholding patterns, presentation made to institutional investors and analysts, corporate benefits,

information relating to stock exchanges, Registrar and Share Transfer Agents, etc. The section on 'Media' includes all major press releases, awards and campaigns.

Material events or information as detailed in Regulation 30 of the Listing Regulations are disclosed to the Stock Exchanges by filing them with NSE through NEAPS and with BSE Limited through BSE Online Portal. They are also displayed on the Company's website under the 'Investor Relations' section.

The Company has also uploaded the names of the members and the details of the unclaimed dividend by the members on its website. The members can log in and find out whether their dividend for any of the years is outstanding. The link for the same is - [http://tatachemicals.com/investors/unclaimed\\_dividends.html](http://tatachemicals.com/investors/unclaimed_dividends.html).

## 12. GENERAL SHAREHOLDER INFORMATION

The Company is registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24239MH1939PLC002893.

### Annual General Meeting date, time and venue

<b>Date and Time</b>	: Thursday, 11th August, 2016 at 3.00 p.m.
<b>Venue</b>	: Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai - 400020
<b>Financial Year</b>	: April to March
<b>Book Closure Date</b>	: Thursday, 4th August, 2016 to Thursday, 11th August, 2016 (both days inclusive for the purpose of AGM and Dividend)
<b>Dividend payment date</b>	: On and from Thursday, 18th August, 2016
<b>Listing on Stock Exchanges</b>	: (a) The Company's Ordinary Shares are listed on the following Stock Exchanges: <ul style="list-style-type: none"> <li>(1) BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.</li> <li>(2) National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.</li> </ul> (b) Non Cumulative Debentures (NCDs) The Company's NCDs are listed on the following Stock Exchange under Debt segment : <ul style="list-style-type: none"> <li>(1) National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051.</li> </ul> The Company has paid the Annual Listing fees to these Stock Exchanges for the FY 2015-16.
<b>Debenture Trustee</b>	: IDBI Trusteeship Services Ltd. Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001. Tel: +91 22 40807000, Fax: +91 22 6631 1776

### Stock Code:

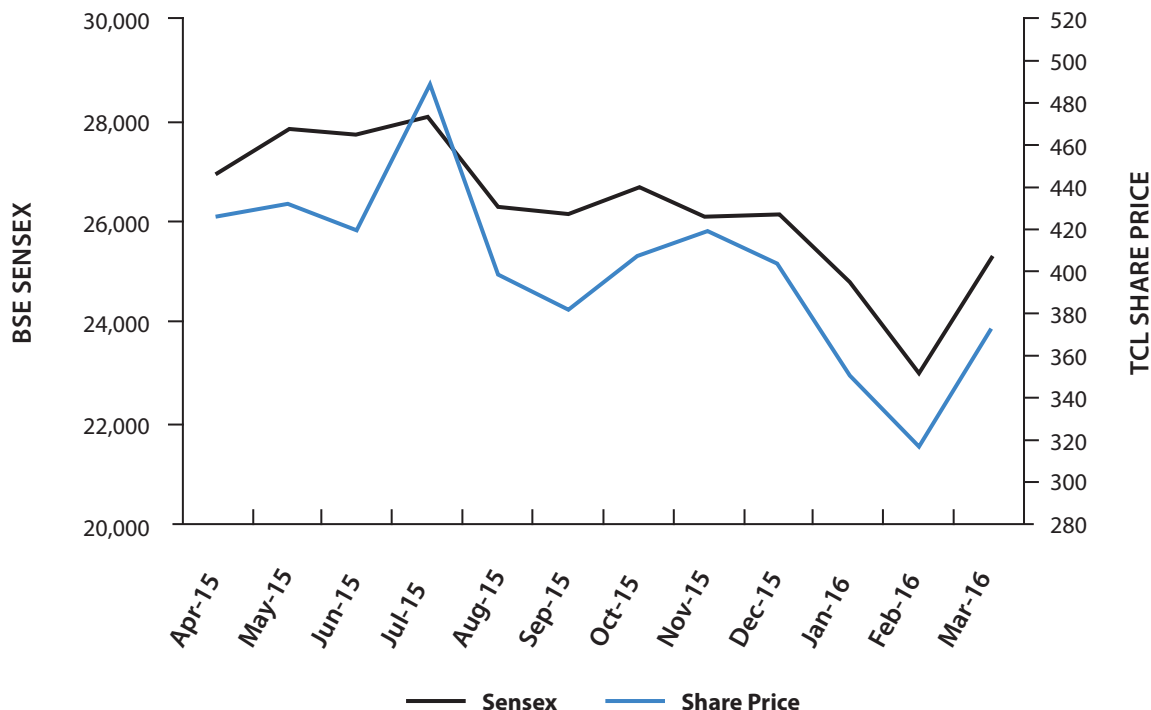
BSE Limited, (Physical Segment)	: TATACHM770
BSE Limited, (Demat Segment)	: 500770
National Stock Exchange of India Limited	: TATACHEM EQ
International Securities Identification Number (ISIN) in NSDL and CDSL for Equity Shares	: INE092A01019

**Market Price Data:**

Market price data - monthly high / low of BSE / NSE depicting liquidity of the Company's Ordinary Shares on the said exchanges is given hereunder.

Month	BSE (in ₹)		NSE (in ₹)	
	High	Low	High	Low
Apr-15	460.00	408.05	460.00	408.60
May-15	454.85	416.00	455.00	415.55
Jun-15	435.25	403.85	435.40	403.35
Jul-15	525.70	429.90	526.00	428.20
Aug-15	503.25	372.40	503.35	372.50
Sep-15	405.00	363.30	403.00	364.10
Oct-15	427.00	380.00	427.70	379.85
Nov-15	437.20	403.80	437.00	402.05
Dec-15	439.25	382.40	438.70	382.20
Jan-16	417.45	340.00	417.50	339.05
Feb-16	375.00	310.05	375.00	309.60
Mar-16	381.55	316.30	383.10	315.70

**Graphical Representation of Performance of Tata Chemicals Limited's Share Price (average of closing price of BSE and NSE) in comparison with BSE Sensex.**



## CORPORATE GOVERNANCE REPORT

### Registrar and Share Transfer Agents

Members are requested to correspond with the Company's Registrar and Share Transfer Agents - TSR Darashaw Limited quoting their folio no. / DP ID and Client ID at the following addresses:-

- (i) For transfer lodgement, delivery and correspondence:

<p>TSR DARASHAW LIMITED                  Unit: <b>Tata Chemicals Limited</b>                  6-10 Haji Moosa Patrawala Industrial Estate,                  20 Dr. E. Moses Road, Mahalaxmi,                  Mumbai 400 011                  Business Hours: 10.00 a.m. to 3.30 p.m. (Monday to Friday)</p>	<p>Tel. No.: + 91 22 6656 8484                  Fax No.: + 91 22 6656 8494                  Email: <a href="mailto:csg-unit@tsrdarashaw.com">csg-unit@tsrdarashaw.com</a>                  Website: <a href="http://www.tsrdarashaw.com">www.tsrdarashaw.com</a></p>
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- (ii) For the convenience of members based in the following cities, transfer documents and letters will also be accepted at the following Branch Offices/ agencies of TSR Darashaw Limited (TSRD):

- |   |   |
|---|---|
| <p><b>1. TSR Darashaw Limited</b><br/>                 503, Barton Centre, (5th Floor),<br/>                 84, Mahatma Gandhi Road,<br/>                 Bengaluru 560 001.<br/>                 Tel.: + 91 80 2532 0321<br/>                 Fax: + 91 80 2558 0019<br/>                 Email: <a href="mailto:tsrdlbg@tsrdarashaw.com">tsrdlbg@tsrdarashaw.com</a></p>                       | <p><b>2. TSR Darashaw Limited</b><br/>                 Tata Centre, 1st Floor,<br/>                 43, J. L. Nehru Road,<br/>                 Kolkata 700 071.<br/>                 Tel.: + 91 33 2288 3087<br/>                 Fax: + 91 33 2288 3062<br/>                 Email: <a href="mailto:tsrdlcal@tsrdarashaw.com">tsrdlcal@tsrdarashaw.com</a></p> |
| <p><b>3. TSR Darashaw Limited</b><br/>                 2/42, Ansari Road,<br/>                 1st Floor, Daryaganj,<br/>                 Sant Vihar,<br/>                 New Delhi 110 002.<br/>                 Tel.: + 91 11 2327 1805<br/>                 Fax: + 91 11 2327 1802<br/>                 Email: <a href="mailto:tsrdldel@tsrdarashaw.com">tsrdldel@tsrdarashaw.com</a></p>     | <p><b>4. TSR Darashaw Limited</b><br/>                 "E" Road,<br/>                 Northern Town, Bistupur,<br/>                 Jamshedpur 831 001.<br/>                 Tel.: + 91 657 242 6616<br/>                 Fax: + 91 657 242 6937<br/>                 Email: <a href="mailto:tsrdljsr@tsrdarashaw.com">tsrdljsr@tsrdarashaw.com</a></p>         |
| <p><b>5. Agent of TSRDL</b><br/>                 Shah Consultancy Services Limited<br/>                 3, Sumatinath Complex, 2nd Dhal,<br/>                 Pritam Nagar, Ellisbridge,<br/>                 Ahmedabad 380 006.<br/>                 Telefax: + 91 79 2657 6038<br/>                 Email: <a href="mailto:shahconsultancy8154@gmail.com">shahconsultancy8154@gmail.com</a></p> |   |

### Share Transfer Process

Shares in physical forms are processed by the Registrar and Share Transfer Agent within 15 days from the date of receipt, if the documents are complete in all respects. The Managing Director, General Counsel & Company Secretary, DGM-Secretarial and Legal and Sr. Manager-Secretarial have been severally empowered to approve transfers.

### Secretarial Audit

- Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued, on a half- yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.
- A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).
- Ms. Jigyasa Ved of M/s. Parikh & Associates, Practicing Company Secretaries, has conducted a Secretarial Audit of the Company for FY 2015-16. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made there under, its Memorandum and Articles of Association, Listing Regulations and the applicable SEBI Regulations. The Secretarial Audit Report forms part of the Board's Report.

**Distribution of Shareholding as on 31st March, 2016**

Range of Holdings	Number of Shares	Amount (₹)	% to capital	Number of Shareholders	% of Shareholders
1 to 500	1,82,50,041	18,25,00,410	7.17	1,65,783	89.48
501 to 1,000	77,71,286	7,77,12,860	3.05	10,385	5.60
1,001 to 2,000	73,19,090	7,31,90,900	2.87	5,088	2.75
2,001 to 3,000	39,68,340	3,96,83,400	1.56	1,592	0.86
3,001 to 4,000	24,68,987	2,46,89,870	0.97	700	0.38
4,001 to 5,000	19,94,893	1,99,48,930	0.78	435	0.23
5,001 to 10,000	52,01,426	5,20,14,260	2.04	735	0.40
Above 10,000	20,77,82,215	2,07,78,22,150	81.56	557	0.30
<b>Total</b>	<b>25,47,56,278</b>	<b>2,54,75,62,780</b>	<b>100.00</b>	<b>1,85,275</b>	<b>100.00</b>

**Category of Shareholding as on 31st March, 2016**

Category	Number of Shares	Percentage
Promoter and promoter group	7,88,25,857	30.94
Resident Individuals	4,87,56,311	19.15
Foreign Holdings	5,65,63,528	22.20
Public Financial Institutions	3,48,12,046	13.66
Government / Government Companies	14,30,784	0.56
Other Companies, Mutual Funds	3,40,34,570	13.36
Nationalised Banks	3,33,182	0.13
<b>Total</b>	<b>25,47,56,278</b>	<b>100.00</b>

**Dematerialisation of shares and liquidity**

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories, viz. NSDL and CDSL.

Percentage of Shares held in Physical form	: 3.03
Electronic form with NSDL	: 93.89
Electronic form with CDSL	: 3.08

The Company's Ordinary shares are regularly traded on the BSE and NSE.

**Plant Locations**
**Indian Locations:**

Chemicals Division	: Mithapur 361 345, Okhamandal, Gujarat
Fertiliser Division	: Indira Dham, P. O. Box No. 1, Babrala 202 521, Dist. Badaun, Uttar Pradesh
Haldia Works	: P. O. Durgachak, Haldia, Dist. East Midnapore, West Bengal - 721 602
Chennai Works	: 317/2B, 317/2 C1, 317/2 C2, Vayalur Road, Kiloy Village, Sriperumbudur Taluk, Kancheepuram, Dist. - 602 105

**Overseas Locations :**

USA - Chemical Soda Ash	: Tata Chemicals North America Inc., Green River Basin, Wyoming
UK-Chemicals	: Tata Chemicals Europe Limited:
	(i) Northwich East (Lostock)
	(ii) Northwich West
	(iii) Middlewich
Kenya - Chemicals	: Tata Chemicals Magadi Limited, Lake Magadi, Kenya

**Address for correspondence** : Tata Chemicals Limited, Bombay House, 24, Homi Mody Street, Fort, Mumbai 400001.  
Email : investors@tatachemicals.com website: www.tatachemicals.com

Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments, conversion date and likely impact on equity - None.

## CORPORATE GOVERNANCE REPORT

**13. COMMODITY PRICE RISK/FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES**

Commodity price risk and hedging activities - Tata Chemicals Limited, India purchases a variety of commodities related to raw materials and finished products for trading. The Company manages the associated commodity price risks through commercial negotiation with customers and suppliers.

Foreign Exchange risk and hedging activities - Tata Chemicals Limited, India is exposed to foreign exchange risks on its imports of raw materials / trading goods / capital item purchases and borrowings denominated in foreign exchange. The Company has a robust internal policy, approved by its Audit Committee, to manage foreign exchange risks. Hedging is regularly carried out to mitigate the risks in line with the approved policy.

**14. OTHER DISCLOSURES****Related Party Transactions**

All related party transactions that were entered into during the FY 2015-16 were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant related party transactions made by the Company with Promoters, Directors, KMPs or other designated persons which may have a potential conflict with the interest of the Company at large.

The policy on related party transactions as approved by the Board is uploaded on the Company's website and the link for the same is [http://www.tatachemicals.com/investors/policies/pdf/tcl\\_rpt\\_policy.pdf](http://www.tatachemicals.com/investors/policies/pdf/tcl_rpt_policy.pdf).

**Statutory Compliance, Penalties and Strictures**

The Company has complied with the requirements of the Stock Exchanges, SEBI and Statutory Authority on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by these authorities.

**Whistleblower Policy and Vigil Mechanism**

The Company has adopted a Whistleblower policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Conduct or Ethics policy. The policy provides for adequate safeguards against victimisation

of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. No personnel of the Company has been denied access to the Audit Committee.

**Accounting Treatment in preparation of Financial Statements**

The Company has prepared the Financial Statements in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act / Companies Act, 1956, as applicable.

**CEO / CFO Certification**

The Managing Director (CEO) and the Chief Financial Officer have certified to the Board in accordance with Regulation 17 (8) read with Part B of Schedule II to the Listing Regulations pertaining to CEO / CFO certification for the Financial Year ended 31st March, 2016.

**Mandatory Requirements**

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

**Non-Mandatory Requirements**

The Company has complied with the following non-mandatory requirements of the Listing Regulations relating to Corporate Governance. The status of compliance with the non-mandatory requirements listed in Regulation 27 (1) read with Part E of Schedule II of the Listing Regulations are as under:

- Chairman of the Board - The Non-Executive Chairman maintains a separate office, for which the Company does not reimburse expenses.
- During the year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.
- The position of the Chairman and the Managing Director is separate.
- The Internal Auditor reports to the Audit Committee.

## DECLARATION BY THE MANAGING DIRECTOR

I, R. Mukundan, Managing Director of Tata Chemicals Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26 (3) of the Listing Regulations for the year ended 31st March, 2016.

For Tata Chemicals Limited

Mumbai, 26th May, 2016

**R. Mukundan**  
Managing Director

## INDEPENDENT AUDITORS' CERTIFICATE

### TO THE MEMBERS OF TATA CHEMICALS LIMITED

We have examined the compliance of conditions of Corporate Governance by **TATA CHEMICALS LIMITED** (the 'Company'), for the year ended 31st March, 2016, as stipulated in:

- Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from 1st April, 2015 to 30th November, 2015.
- Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from 1st April, 2015 to 1st September, 2015.
- Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the period from 2nd September, 2015 to 31st March, 2016 and
- Regulations 17 to 27 [excluding regulation 23(4)] and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under first paragraph above, during the year ended 31st March, 2016.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W / W-100018)

**Sanjiv V. Pilgaonkar**  
Partner  
(Membership No. 039826)

Mumbai, 26th May, 2016

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF TATA CHEMICALS LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Tata Chemicals Limited (the "Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except in cases wherein disputes relating to the ownership of the underlying shares have remained unresolved.
2. As required by the Companies (Auditor's Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

for **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Sanjiv V. Pilgaonkar**  
Partner  
(Membership No.039826)

Place: Mumbai  
Date: 26th May, 2016

## ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)**

We have audited the internal financial controls over financial reporting of Tata Chemicals Limited (the “Company”) as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm’s Registration No. 117366W/W-100018)

**Sanjiv V. Pilgaonkar**  
Partner  
(Membership No.039826)

Place: Mumbai  
Date: 26th May, 2016

## ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

**(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the

year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

Land/Building	No of Cases	Gross Block (₹ in crore)	Net Block as at 31.03.16 (₹ in crore)	Remarks
Other Building - Residential Flat	3	1.82	1.30	The said flats are in the name of Tata Fertiliser limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court(s) of judicature.
Land	1	*	*	The original agreement was not available for verification.

\* Figure below ₹ 50,000

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement except the following:

Particulars of the land	Gross Block as at 31.03.16 (₹ in crore)	Net Block as at 31.03.16 (₹ in crore)	Remarks
Leasehold land located West Bengal admeasuring 30.61 Acres	0.68	-	The lease agreement for 30.61 acres out of 43.28 acres is in the name of Hind Level Chemicals Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court(s) of judicature.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for fertilisers, cement, Inorganic Chemicals, organic and inorganic compounds of precious metals, rare earth metals of radioactive elements and organic chemicals. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however,

**ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT**

not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employee’s State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employee’s State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Forum where Dispute is Pending</b>	<b>Period to which the Amount Relates</b>	<b>Amount (₹ in crore)</b>
Central Sales Tax Act 1956 and Sales Tax Act of various states	Sales Tax(Central and State) and Value added- tax	High Court	2009-10	0.29
		Tribunal	1998-99,1999-00, 2000-01, 2002-03 2004-05, 2005-06, 2006-07 and 2007-08	0.90
		Appellate Authority upto Commissioner’s level	Various years between 1991 to 2014	9.05
Customs Act, 1962	Custom Duty	Tribunal	2012-13	19.01
		Appellate Authority upto Commissioner’s level	1987-88, 1992-93, 2001-02 and 2011-12	0.32
Central Excise Act, 1944	Excise Duty	Supreme Court	1974-80, 1981-85	0.28
		Tribunal	1985-88,1996-97 and 2006-07 to 2010-11	3.65
		Appellate Authority upto Commissioner’s level	2004-08	1.73
The West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	High Court	2012-13 to 2015-16	72.64
Gujrat Municipal Act, 1963	Land Revenue	Okha Nagar Palika	2008-16	0.77
Income Tax Act, 1961	Income Tax	Tribunal	2010-11	15.48
<b>Total</b>				<b>124.12</b>

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and dues to debenture holders. The Company has not obtained any loan from financial institution.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed

in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Sanjiv V. Pilgaonkar**  
Partner  
(Membership No.039826)

Place: Mumbai  
Date: 26th May, 2016

# BALANCE SHEET

as at 31st March, 2016

	Note	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>I. EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' Funds</b>				
(a) Share Capital	3	254.82		254.82
(b) Reserves and Surplus	4	6,139.40		5,788.45
			6,394.22	6,043.27
<b>2. Non-current Liabilities</b>				
(a) Long-term Borrowings	5	1,419.83		1,739.40
(b) Deferred Tax Liabilities (net)	6	165.73		191.23
(c) Other Long-term Liabilities	7	0.41		1.67
(d) Long-term Provisions	8	93.87		78.65
			1,679.84	2,010.95
<b>3. Current Liabilities</b>				
(a) Short-term Borrowings	9	1,297.73		976.46
(b) Trade Payables (includes dues of micro and small enterprises ₹ 4.21 crore (previous year ₹ 3.45 crore))	10	888.49		1,858.36
(c) Other Current Liabilities	11	763.93		373.23
(d) Short-term Provisions	12	536.68		616.71
			3,486.83	3,824.76
<b>TOTAL</b>			<b>11,560.89</b>	<b>11,878.98</b>
<b>II. ASSETS</b>				
<b>1. Non-current Assets</b>				
(a) Fixed Assets				
(i) Tangible Assets	13	1,884.88		1,898.71
(ii) Intangible assets	13	4.36		1.79
(iii) Capital Work-in-progress	13	131.55		62.83
(iv) Intangible Assets Under Development	13	0.06		0.89
		2,020.85		1,964.22
(b) Non-current Investments	14	4,434.87		4,363.85
(c) Long-term Loans and Advances	15	423.56		426.18
(d) Other Non-current Assets	16	6.66		13.09
			6,885.94	6,767.34
<b>2. Current Assets</b>				
(a) Inventories	17	1,095.43		1,809.03
(b) Trade Receivables	18	2,552.88		2,486.32
(c) Cash and Bank Balance	19	600.48		574.30
(d) Short-term Loans and Advances	20	354.76		168.87
(e) Other Current Assets	21	71.40		73.12
			4,674.95	5,111.64
<b>TOTAL</b>			<b>11,560.89</b>	<b>11,878.98</b>
Notes Forming an Integral Part of Financial Statements	1 - 27			

In terms of our report attached

For and on behalf of the Board

Cyrus P. Mistry  
ChairmanDr. Y. S. P. Thorat  
DirectorNusli N. Wadia  
DirectorVibha Paul Rishi  
DirectorFor DELOITTE HASKINS & SELLS LLP  
Chartered AccountantsJohn Mulhall  
Chief Financial OfficerNasser Munjee  
DirectorBhaskar Bhat  
DirectorSanjiv V. Pilgaonkar  
PartnerRajiv Chandan  
General Counsel & Company SecretaryEknath A. Kshirsagar  
DirectorR. Mukundan  
Managing Director

Mumbai, 26th May, 2016

# STATEMENT OF PROFIT AND LOSS

for the year ended 31st March, 2016

	Note	₹ in crore	₹ in crore	Previous period ₹ in crore
<b>I. REVENUE</b>				
(a) Revenue from Operations (Gross)	22	<b>10,906.26</b>		10,336.12
(b) Less : Excise Duty		<b>256.35</b>		252.52
(c) Net Revenue from Operations			<b>10,649.91</b>	10,083.60
<b>II. Other Income</b>	23		<b>157.63</b>	194.75
<b>III. Total Revenue (I + II)</b>			<b>10,807.54</b>	10,278.35
<b>IV. EXPENSES</b>				
(a) Cost of Materials Consumed	27(xiii)	<b>3,260.93</b>		3,778.55
(b) Purchases of Stock-in-trade		<b>2,299.52</b>		2,712.54
(c) Changes in Inventories of Work-In-progress, Finished Goods and Stock-in-trade	27(xii)	<b>557.15</b>		(850.84)
(d) Employee Benefits Expense	24	<b>369.90</b>		330.17
(e) Finance Costs (net)	25	<b>194.47</b>		186.78
(f) Depreciation and Amortisation Expense	13	<b>187.75</b>		192.71
(g) Other Expenses	26	<b>3,135.90</b>		3,074.35
<b>Total Expenses</b>			<b>10,005.62</b>	9,424.26
<b>V. Profit Before Tax (III - IV)</b>			<b>801.92</b>	854.09
<b>VI. Tax Expense</b>				
(a) Current tax expense		<b>242.70</b>		229.86
(b) Earlier year's tax provision reversal		<b>(9.86)</b>		-
(c) Current tax expense (net)		<b>232.84</b>		229.86
(d) Deferred Tax		<b>(25.50)</b>		(13.74)
			<b>207.34</b>	216.12
<b>VII. Profit for the Year (V - VI)</b>			<b>594.58</b>	<b>637.97</b>
<b>VIII. EARNINGS PER SHARE (₹)</b>	27(i)			
(Face value per share - ₹ 10)				
(a) Basic			<b>23.34</b>	25.04
(b) Diluted			<b>23.34</b>	25.04
Notes Forming an Integral Part of Financial Statements	1 - 27			

In terms of our report attached

For and on behalf of the Board

 Cyrus P. Mistry  
Chairman

 Dr. Y. S. P. Thorat  
Director

 Nusli N. Wadia  
Director

 Vibha Paul Rishi  
Director

 Nasser Munjee  
Director

 Bhaskar Bhat  
Director

 Eknath A. Kshirsagar  
Director

 R. Mukundan  
Managing Director

 For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants

 John Mulhall  
Chief Financial Officer

 Sanjiv V. Pilgaonkar  
Partner

 Rajiv Chandan  
General Counsel & Company Secretary

Mumbai, 26th May, 2016

## CASH FLOW STATEMENT for the year ended 31st March, 2016

	₹ in crore	Previous year ₹ in crore
<b>A Cash Flow from Operating Activities</b>		
Profit before Tax	801.92	854.09
Adjustments for :		
Depreciation and amortisation expense	187.75	192.71
Finance costs	194.47	186.78
Interest income	(4.75)	(9.55)
Dividend income	(118.53)	(142.19)
Net gain on sale of investments	(0.02)	(10.31)
Provision for employee benefits	37.47	29.58
Provision for doubtful debts and advances/bad debts written off	19.52	12.04
Provision for contingencies	31.72	26.82
Liabilities no longer required written back	(4.96)	(27.16)
Provision for diminution in the value of non-current investments	-	0.11
Unrealised foreign exchange loss (net)	68.68	15.74
(Profit)/loss on assets sold or discarded (net)	2.61	(0.18)
<b>Operating Profit before Working Capital Changes</b>	<b>1,215.88</b>	<b>1,128.48</b>
Adjustments for :		
Trade receivables, loans and advances and other assets	(275.38)	(99.54)
Inventories	713.60	(998.47)
Trade payables and other liabilities	(948.06)	579.67
<b>Cash generated from Operations</b>	<b>706.04</b>	<b>610.14</b>
Taxes paid (net of refund)	(261.76)	(249.16)
<b>Net Cash generated from Operating Activities</b>	<b>444.28</b>	<b>360.98</b>
<b>B Cash Flow from Investing Activities</b>		
Acquisition of fixed assets (including capital work-in-progress)	(240.05)	(172.53)
Proceeds on sale of fixed assets	0.42	6.72
Proceeds on sale of current investments	12,706.65	19,298.20
Purchase of long term investments	(5.12)	(9.00)
Purchase of current investments	(12,706.63)	(19,296.93)
Investment in subsidiaries	(0.20)	(22.74)
Proceeds on sale/redemption of investment	-	43.87
Bank balances not considered as Cash and Cash Equivalent	-	(0.26)
Interest received	6.52	24.32
Dividend received		
- From subsidiaries	14.60	23.36
- From joint ventures	19.25	43.97
- From others	84.68	74.86
<b>Net Cash generated from/(used in) Investing Activities</b>	<b>(119.88)</b>	<b>13.84</b>

	₹ in crore	Previous year ₹ in crore
<b>C Cash Flow from Financing Activities</b>		
Repayment of borrowings	(2,228.80)	(2,190.46)
Proceeds of borrowings	2,494.66	1,862.16
Finance costs paid	(185.03)	(154.21)
Bank balances in dividend and restricted account	(1.19)	(0.82)
Dividends paid including distribution tax	(379.04)	(294.86)
<b>Net Cash used in Financing Activities</b>	<b>(299.40)</b>	<b>(778.19)</b>
Net Increase in Cash and cash equivalents	25.00	(403.37)
Cash and cash equivalents as at 1st April 2015	561.72	965.09
Cash and cash equivalents as at 31st March 2016 (note 19)	<b>586.72</b>	<b>561.72</b>
Supplementary disclosure of non cash investing activities		
Payables for purchase of fixed asset	21.73	21.43

Notes :

(a) Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's figures.

In terms of our report attached

For and on behalf of the Board

**Cyrus P. Mistry**  
Chairman

**Dr. Y. S. P. Thorat**  
Director

**Nusli N. Wadia**  
Director

**Vibha Paul Rishi**  
Director

**Nasser Munjee**  
Director

**Bhaskar Bhat**  
Director

**Eknath A. Kshirsagar**  
Director

**R. Mukundan**  
Managing Director

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**John Mulhall**  
Chief Financial Officer

**Sanjiv V. Pilgaonkar**  
Partner

**Rajiv Chandan**  
General Counsel & Company Secretary

Mumbai, 26th May, 2016

## NOTES forming part of the Financial Statements

### NOTE 1: CORPORATE INFORMATION

Tata Chemicals Limited ("the Company") is a public limited company domiciled in India. Its shares are listed on two stock exchanges in India - the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is engaged in diversified businesses dealing in Inorganic Chemicals, Fertilisers, Other Agri inputs, Consumer and Nutritional solutions business. The Company has a global presence with key subsidiaries in United Kingdom, Kenya and United States of America that are engaged in the manufacture and sale of soda ash, industrial salt and related products.

### NOTE 2: SIGNIFICANT ACCOUNTING POLICIES :

#### (a) Basis of Accounting and Preparation of the Financial Statements

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP"), the Accounting Standards ("AS") as specified under section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 7 of the Companies' (Accounts) Rules 2014. The financial statements are prepared on the basis of going concern under the historical cost convention using the accrual method of accounting. The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the 2013 Act.

#### (b) Use of Estimates

The preparation of the financial statements, in conformity with Indian GAAP, requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

#### (c) Tangible Fixed Assets

Tangible Fixed Assets are carried at cost net of taxes / duties, credits availed, if any, less accumulated depreciation and accumulated impairment losses, if any. The cost of fixed assets includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets. Borrowing cost and other incidental expenses are added to the cost of those assets until such time as the assets are substantially ready for their intended use which generally coincides with the commissioning date of those assets.

Machinery spares whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of asset.

Fixed Assets acquired and put to use for projects are capitalised and depreciation thereon is included in the project cost till the project is ready for commissioning.

Fixed Assets held for sale are stated at lower of their net book value and net realisable value and are disclosed separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets are recognised in the Statement of Profit and Loss.

#### (d) Intangible Assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. The estimated useful life is reviewed annually by the management.

#### (e) Capital Work-in-progress and Intangible Assets under Development

Projects under commissioning and other capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

#### (f) Depreciation and Amortisation

(i) Depreciation has been provided using the straight line method ("SLM") over the useful lives as estimated by Management. Schedule II to the Companies Act 2013 ("Schedule") prescribes the useful lives for various class of assets. For certain class of assets, based

## NOTES forming part of the Financial Statements (contd.)

on technical evaluation and assessment, management believes that, the useful lives adopted by it reflects the periods over which these assets are expected to be used. Accordingly for those assets, the useful lives estimated by the management are different from those prescribed in the Schedule. The management's estimates of the useful lives for various class of fixed assets are as given below:

Asset	Useful life
Leasehold Land	99 years
Salts works, Reservoirs and Pans	1-30 years
Plant & Machinery	1-60 years
Traction lines, Railway Slidings and Wagons	15 years
Factory Buildings (Works)	5-60 years
Other Buildings	5-60 years
Water Works	15 years
Furniture & Fittings	1-10 years
Office Equipments (including Computers & Data Processing Equipments)	2-10 years
Vehicles	4-10 years

(ii) Leasehold land is amortised over the duration of the lease.

(iii) Intangible assets are amortised using straight line method over their estimated useful lives and are tested for impairment periodically or whenever there is an indication of impairment.

### (g) Impairment of Fixed Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed to determine whether there is any indication that an asset may be impaired. If any indication of such impairment exists, the recoverable amount of such assets / cash generating unit is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised. The recoverable amount is the higher of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

### (h) Investments

Long term investments are carried individually at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of such investments. Current investments are carried individually, at lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

### (i) Inventories

Inventories are valued at lower of cost (on weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

## NOTES forming part of the Financial Statements (contd.)

### (j) Revenue Recognition

#### Sale of Goods

Revenue from Sale of Goods is recognised, net of returns including estimated returns where applicable, and trade discounts, rebates, sales tax and value added tax, when all significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods. In respect of Urea, sales are recognised based on concession rates as notified under the New Pricing Scheme. Equated freight claims and escalation claims for Urea sales are estimated by the Management based on the norms prescribed or notified under the said Scheme. In case of complex fertilisers, sales include price concession, as notified under the Nutrient Based Subsidy policy, or as estimated by the Management based on the norms prescribed.

### (k) Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is accounted for when the right to receive the dividend is established.

### (l) Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

### (m) Research and Development Expenses

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. Expenditure on tangible fixed assets used in research and development is capitalised.

### (n) Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

### (o) Employee Benefits

Employee benefits consist of provident fund, superannuation fund, gratuity fund, compensated absences, long service awards, post retirement medical benefits, directors' retirement obligations and family benefit scheme.

#### (i) Post-employment benefit plans

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

For defined benefit schemes in the form of gratuity fund, post retirement medical benefits, directors' pension liabilities and family benefit scheme, the cost of providing benefits is actuarially determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, otherwise it is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost plus the present value of available refunds and reductions in future contributions to the schemes.

The Company makes contribution towards provident fund, in substance a defined contribution retirement benefit plan. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund. The rules of the Company's provident fund administered by the Trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the fund and the return on the investments, the Company does not expect any deficiency as at the year end.

## NOTES forming part of the Financial Statements (contd.)

### (ii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employees render the service. These benefits include compensated absences such as paid annual leave and performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related service

The cost of compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

### (iii) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date.

### (p) Employee Separation Compensation

- (i) Compensation payable to employees who have opted for retirement under "Early Separation Scheme" is amortised over the period for which benefit is expected. The liability has been calculated on the basis of net present value of the future payments of pension.
- (ii) Compensation paid / payable to employees who have opted for retirement under a Voluntary Retirement Scheme including ex-gratia is charged to Statement of Profit and Loss in the year of separation.

### (q) Borrowing Costs

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of fixed assets which necessarily take a substantial period of time to get ready for their intended use is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. Fees and other transaction costs incurred on origination of the loan are amortised over the tenure of the loan on a straight-line basis. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

### (r) Foreign Currency Transactions and Translation (other than Derivative contracts)

On initial recognition, all foreign currency transactions are converted and recorded at exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Statement of Profit and Loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange difference arising on a monetary item that, in substance, forms part of the Company's net investments in a non-integral foreign operation are accumulated in a Foreign Currency Translation Reserve until disposal / recovery of the net investment.

### (s) Derivative Contracts

The Company enters into derivative contracts in the nature of full currency swaps, currency options, forward contracts with an intention to hedge firm commitments and highly probable transactions. Premium / discount on forward exchange contracts, related to monetary items which are not intended for trading or speculation purposes, are amortised over the period of the contract. In case of certain, derivative contracts with critical terms matching that of the underlying hedged item (foreign currency loan) are accounted as per the policy stated for foreign currency transaction and translation resulting in the foreign currency loan being treated as Indian rupee loan. All other contracts are marked-to-market and gains/losses are recognised in the Statement of Profit and Loss.

## NOTES forming part of the Financial Statements (contd.)

### (t) Government Grants

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grant/subsidy will be received. Government grants whose primary condition is that the company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised over the life of the depreciable assets by way of a reduced depreciation charge. Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis.

### (u) Segment Reporting

The Company identifies primary segments based on the dominant source and nature of risks and returns and the internal organisation. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in conformity with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### (v) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Other deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income to realise such assets. Deferred tax assets recognised are carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

### (w) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. A contingent asset is neither recognised nor disclosed in the financial statements.

## NOTES forming part of the Financial Statements (contd.)

### (x) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### (y) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

			As at 31-Mar-2015	
	Number of shares	₹ in crore	Number of shares	₹ in crore
<b>NOTE 3 : SHARE CAPITAL</b>				
<b>1. Authorised:</b>				
Ordinary shares of ₹ 10 each	27,00,00,000	270.00	27,00,00,000	270.00
<b>2 Issued:</b>				
Ordinary shares of ₹ 10 each	25,48,42,598	254.84	25,48,42,598	254.84
<b>3 Subscribed and fully paid up:</b>				
Ordinary shares of ₹ 10 each	25,47,56,278	254.76	25,47,56,278	254.76
<b>4. Forfeited shares:</b>				
Amount originally paid-up on forfeited shares	86,320	0.06	86,320	0.06
		254.82		254.82

#### Footnotes:

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

			As at 31-Mar-2015	
	Number of shares	₹ in crore	Number of shares	₹ in crore
<b>Issued share capital:</b>				
Ordinary shares :				
At the beginning of the year	25,48,42,598	254.84	25,48,42,598	254.84
<b>Outstanding at the end of the year</b>	<b>25,48,42,598</b>	<b>254.84</b>	<b>25,48,42,598</b>	<b>254.84</b>
<b>Subscribed and paid up:</b>				
Ordinary shares :				
At the beginning of the year	25,47,56,278	254.76	25,47,56,278	254.76
<b>Outstanding at the end of the year</b>	<b>25,47,56,278</b>	<b>254.76</b>	<b>25,47,56,278</b>	<b>254.76</b>

(b) The Company has issued one class of ordinary shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential accounts, in proportion to their shareholding.

**NOTES** forming part of the Financial Statements (contd.)

(c) Details of shares held by each shareholder holding more than 5 % of shares :

	Number of shares		As at 31-Mar-2015	
	Number of shares	%	Number of shares	%
Ordinary shares with voting rights				
(i) Tata Sons Ltd.	4,93,06,423	19.35	4,93,06,423	19.35
(ii) Tata Investment Corporation Ltd.	1,55,53,501	6.11	1,55,53,501	6.11

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 4 : RESERVES AND SURPLUS</b>			
<b>1. Capital reserve:</b>			
At the commencement and at the end of the year		0.66	0.66
<b>2. Capital redemption reserve:</b>			
At the commencement and at the end of the year		0.10	0.10
<b>3. Securities premium:</b>			
At the commencement and at the end of the year		1,258.21	1,258.21
<b>4. Debenture redemption reserve:</b>			
At the commencement and at the end of the year		240.00	240.00
<b>5. Foreign currency translation reserve:</b>			
(a) At the commencement of the year	169.81		63.07
(b) Add : Translation of monetary items (preference shares in Bio Energy Venture)	56.32		110.33
(c) Less: Realised during the year on redemption of partial preference shares	-		3.59
(d) At the end of the year		226.13	169.81
<b>6. Surplus on amalgamation:</b>			
At the commencement and at the end of the year		20.45	20.45
<b>7. General reserve:</b>			
At the commencement and at the end of the year		1,171.94	1,171.94
<b>8. Surplus in statement of profit and loss:</b>			
At the commencement of the year	2,927.28		2,691.98
Less : Depreciation on transition to Schedule II of Companies Act, 2013 (net of deferred tax ₹ NIL (previous year ₹ 10.64 crore))	-		20.65
	2,927.28		2,671.33
Add : Profit for the year	594.58		637.97
Less :			
(a) Proposed dividend to be distributed to equity shareholders (@ ₹ 10 per share, previous year ₹ 12.50 per share)	254.76		318.44
(b) Tax on proposed dividend	45.19		63.58
At the end of the year		3,221.91	2,927.28
		6,139.40	5,788.45

## NOTES forming part of the Financial Statements (contd.)

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 5 : LONG - TERM BORROWINGS</b>			
<b>1. Debentures :</b>			
(a) Unsecured (footnote 'a')	<b>250.00</b>		250.00
		<b>250.00</b>	250.00
<b>2. Term Loan from Banks (Unsecured) :</b>			
(a) External Commercial Borrowings (footnote 'b & c')	<b>1,169.77</b>		1,489.31
<b>3. Other loans and advances :</b>			
(a) Unsecured from others (footnote 'd')	<b>0.06</b>		0.09
		<b>1,169.83</b>	1,489.40
		<b>1,419.83</b>	1,739.40

**Footnotes:**

- 10% Unsecured Redeemable Non-convertible Debentures of a face value ₹ 10 lakhs each redeemable at par on 2 July, 2019. Interest is payable annually.
- The External Commercial Borrowings (ECB) are due for repayments on 23rd October, 2017 ₹ 389.78 crore (USD 63.27 million), on 22nd October, 2018 ₹ 390.06 crore (USD 63.27 million) and on 21st October, 2019 ₹ 389.93 crore (USD 63.46 million) and bear interest of Libor + spread of 1.95%, payable half yearly.
- Foreign exchange gain of ₹ 89.08 crore (previous year ₹ 73.19 crore) on full currency swaps and forwards with critical terms matching that of the ECB have been netted off, resulting in the foreign currency loan being treated as an Indian rupee loan.
- The Company has entered into an agreement with Department of Biotechnology (DBT) for a project on boosting crop health and yield. DBT has approved a loan of ₹ 0.15 crore (previous year ₹ 0.15 crore). The Company has received three installments of this loan aggregating to ₹ 0.11 crore (previous year ₹ 0.11 crore). The loan is repayable in 10 equal half yearly installments.

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 6 : DEFERRED TAX LIABILITIES (NET)</b>			
<b>1. Deferred Tax Assets :</b>			
(a) Provision for doubtful debts and advances	<b>16.56</b>		10.54
(b) Disallowances under section 43B of Income tax act, 1961	<b>87.07</b>		68.91
		<b>103.63</b>	79.45
<b>2. Deferred Tax Liability :</b>			
(a) Depreciation	<b>269.36</b>		270.68
		<b>269.36</b>	270.68
Net deferred tax liability		<b>165.73</b>	191.23

	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 7 : OTHER LONG - TERM LIABILITIES</b>		
<b>1. Other Liabilities :</b>		
(a) Pension payable on employee separation scheme	<b>0.41</b>	0.48
(b) Other payables	-	1.19
	<b>0.41</b>	1.67

**NOTES** forming part of the Financial Statements (contd.)

	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 8 : LONG - TERM PROVISIONS</b>		
<b>1. Provision for employee benefits (note 27 (iv)) :</b>		
(a) Provision for Gratuity	3.05	-
(b) Provision for Post Retirement Medical Benefit	41.78	33.95
(c) Provision for Long Service Award	4.22	3.76
(d) Provision for Directors Pension Liabilities	30.17	27.52
(e) Provision for Family Benefit Scheme	14.65	13.42
	<b>93.87</b>	<b>78.65</b>

	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 9 : SHORT - TERM BORROWINGS</b>		
<b>1. Loans repayable on demand :</b>		
(a) Secured - From Banks:		
Cash Credits (footnote 'a')	3.41	10.92
Working Capital Demand Loan (footnote 'a')	-	50.00
<b>2. Other loans and advances :</b>		
(a) Secured - From Banks:		
Buyer's Credit (footnote 'a')	198.12	149.95
(b) Unsecured - From Banks:		
Buyer's Credit	1,096.20	765.59
	<b>1,297.73</b>	<b>976.46</b>

**Footnote:**

- (a) Loans from banks on Cash Credit, Working Capital Demand Loan from bank and buyer's credit are secured by hypothecation of stocks of raw materials, finished products, stores and work-in-process as well as book debts.

	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 10 : TRADE PAYABLES</b>		
<b>1. Acceptances</b>		
	268.01	773.01
<b>2. Trade payables other than acceptances :</b>		
(i) Total outstanding dues of micro enterprises and small enterprises (footnote 'a')	4.21	3.45
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises; (note 27 (iii) for related party balances)	616.27	1,081.90
	<b>888.49</b>	<b>1,858.36</b>

**Footnote:**

- (a) According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the Company has amounts due to Micro and Small Enterprises under the said Act as at 31st March as follows :

## NOTES forming part of the Financial Statements (contd.)

	₹ in crore	As at 31-Mar-2015 ₹ in crore
1. (a) Principal amount remaining unpaid to any supplier as on 31st March	4.21	3.45
(b) Interest on 1(a) above	0.01	-
2. (a) The amount of principal paid beyond the appointed date	43.19	10.85
(b) The amount of interest paid beyond the appointed date	-	-
3. Amount of interest due and payable on delayed payments	0.06	-
4. Amount of interest accrued and remaining unpaid as at 31st March	0.01	0.05
5. The amount of further interest due and payable even in the succeeding year	-	-

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 11 : OTHER CURRENT LIABILITIES</b>			
<b>1. Current maturities of long term debts :</b>			
(a) Other loans and advances (foonote 'a')		325.19	0.02
<b>2. Interest accrued but not due on borrowings</b>		83.11	78.76
<b>3. Liability towards :</b>			
(a) Unclaimed dividends (foonote 'b')	13.80		12.54
(b) Unclaimed debentures and interest	0.01		0.01
		13.81	12.55
<b>4. Security deposits from customers</b>		59.81	54.98
<b>5. Other payables :</b>			
(a) Advances received from customers	16.33		23.80
(b) Creditors for capital goods	21.73		21.43
(c) Accrued marketing incentive	31.83		45.42
(d) Accrued expense and payroll	113.79		83.57
(e) Statutory dues payables	55.59		46.13
(f) Mark-to-Market losses on derivatives	42.74		6.57
		282.01	226.92
		<b>763.93</b>	<b>373.23</b>

**Footnotes:**

- (a) Includes External Commercial Borrowing that are due within one year amounting to ₹ 325.17 crore (USD 60 million), payable half yearly bearing interest of Libor + spread of 1.65%.
- (b) All amounts that are due have been transferred to Investor Education and Protection Fund except ₹ 0.44 crore (previous year ₹ 0.33 crore), wherein legal disputes are going on.

**NOTES** forming part of the Financial Statements (contd.)

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 12 : SHORT-TERM PROVISIONS</b>			
<b>1. Provision for employee benefits (note 27 (iv)) :</b>			
(a) Provision for Compensated Absences	<b>50.50</b>		43.64
(b) Provision for Post Retirement Medical Benefit	<b>1.10</b>		0.98
(c) Provision for Long Service Award	<b>1.07</b>		2.45
(d) Provision for Directors Pension Liabilities	<b>1.69</b>		1.23
(e) Provision for Family Benefit Scheme	<b>0.90</b>		0.97
		<b>55.26</b>	49.27
<b>2. Others :</b>			
(a) Proposed dividend (footnote 'a')	<b>254.76</b>		318.44
(b) Tax on dividend (footnote 'a')	<b>46.91</b>		63.58
(c) Provision for current tax (net of tax paid ₹ 1,066.15 crore (previous year ₹ 996.48 crore))	<b>64.97</b>		84.08
(d) Provision for Contingencies (note 27 (vi))	<b>114.78</b>		101.34
		<b>481.42</b>	567.44
		<b>536.68</b>	<b>616.71</b>

**Footnote:**

- (a) The Board of Directors has recommended a dividend of 100 % (previous year 125 % including special dividend of 25%) for the financial year 2015-16, amounting to ₹ 10 per share (previous year ₹ 12.50 per share).



## NOTES forming part of the Financial Statements (contd.)

		Face Holdings As at 31-Mar-2016				Face Holdings As at 31-Mar-2015						
		Value	As at	Quoted	Unquoted	Total	Value	As at	Quoted	Unquoted	Total	
		₹ 31-Mar-2016	₹ in crore	₹ in crore	₹ in crore		₹ 31-Mar-2015	₹ in crore	₹ in crore	₹ in crore		
<b>NOTE 14 : NON-CURRENT INVESTMENTS</b>												
<b>Investments (At cost) :</b>												
<b>A</b>	<b>Trade</b>											
	(I) <b>Investments in equity instruments (fully paid up)</b>											
	i) <b>Investment in Subsidiary Companies:</b>											
	Fully paid Ordinary Equity Shares:											
	Rallis India Ltd.	₹	1	9,73,41,610	479.97	-	479.97	1	9,73,41,610	479.97	-	479.97
	Bio Energy Ventures -1 (Mauritius) Pvt Ltd.	USD	1	57,53,81,426	-	2,398.39	2,398.39	1	57,53,81,426	-	2,398.38	2,398.38
	ii) <b>Investment in Joint Venture Company:</b>											
	Indo Maroc Phosphore, S.A. , Morocco	MAD	1000	2,06,666	-	166.26	166.26	1000	2,06,666	-	166.26	166.26
	(II) <b>Investments in Redeemable Preference shares</b>											
	i) <b>Investment in Subsidiary Company:</b>											
	5% Non Cumulative Redeemable Preference Shares of Bio Energy Venture -1(Mauritius) Pvt.Ltd	USD	100	15,00,014	-	993.83	993.83	100	14,84,714	-	927.94	927.94
	<b>Total - Trade (A)</b>				<b>479.97</b>	<b>3,558.48</b>	<b>4,038.45</b>			<b>479.97</b>	<b>3,492.58</b>	<b>3,972.55</b>
<b>B</b>	<b>Other Investments</b>											
	(I) <b>Investments in equity instruments (fully paid up)</b>											
	i) <b>Investment in other companies:</b>											
	The Indian Hotels Co. Ltd.	₹	1	89,07,790	18.82	-	18.82	1	72,71,666	9.82	-	9.82
	Oriental Hotels Ltd.	₹	1	25,23,000	2.79	-	2.79	1	25,23,000	2.79	-	2.79
	Tata Investment Corporation Ltd.	₹	10	4,75,840	6.83	-	6.83	10	4,75,840	6.83	-	6.83
	Tata Steel Ltd.	₹	10	24,91,977	58.16	-	58.16	10	24,91,977	58.16	-	58.16
	Tata Motors Ltd.	₹	2	19,66,294	12.50	-	12.50	2	18,63,705	7.89	-	7.89
	Tata Global Beverages Ltd.	₹	1	4,31,75,140	16.09	-	16.09	1	4,31,75,140	16.09	-	16.09
	Titan Company Ltd.	₹	1	1,38,26,180	10.31	-	10.31	1	1,38,26,180	10.31	-	10.31
	The Associated Building Co. Ltd.	₹	900	550	-	0.02	0.02	900	550	-	0.02	0.02
	Taj Air Ltd.	₹	10	40,00,000	-	4.00	4.00	10	40,00,000	-	4.00	4.00
	Tata Industries Ltd.	₹	100	98,61,303	-	170.19	170.19	100	98,61,303	-	170.19	170.19
	Tata Capital Ltd.	₹	10	32,30,859	-	4.85	4.85	10	32,30,859	-	4.85	4.85
	Tata International Ltd.	₹	1,000	48,000	-	27.34	27.34	1,000	48,000	-	27.34	27.34
	Tata Projects Ltd.	₹	100	1,93,500	-	0.38	0.38	100	1,93,500	-	0.38	0.38
	Tata Services Ltd.	₹	1,000	1,260	-	0.13	0.13	1,000	1,260	-	0.13	0.13
	Tata Sons Ltd.	₹	1,000	10,237	-	56.86	56.86	1,000	10,237	-	56.86	56.86
	Tata Teleservices Ltd. #	₹	10	12,85,110	-	3.11	3.11	10	12,85,110	-	3.11	3.11
	IFCI Venture Capital Funds Ltd.	₹	10	2,50,000	-	0.25	0.25	10	2,50,000	-	0.25	0.25
	Kowa Spinning Ltd.	₹	10	60,000	-	*	*	10	60,000	-	*	*
	(II) <b>Investments in Compulsorily Convertible Debentures (fully paid up)</b>											
	i) <b>Fully paid Compulsorily Convertible Debenture</b>											
	Tata Power Renewable Energy Limited	₹	10	28,90,000	-	2.89	2.89	10	28,90,000	-	2.89	2.89
	The Indian Hotels Co. Ltd.	₹		-	-	-	-	10	16,36,124	9.00	-	9.00
	(III) <b>Investments in Section 8 Company (fully paid up)</b>											
	i) Global Innovation and Technology Alliance (GITA)	₹		10,000	-	1.00	1.00		5,000	-	0.50	0.50
	ii) Water Quality India Association	₹		7,100	-	0.01	0.01			-	-	-
	<b>Total - Other Investments (B)</b>				<b>125.50</b>	<b>271.03</b>	<b>396.53</b>			<b>120.89</b>	<b>270.52</b>	<b>391.41</b>
	<b>Total (A+B)</b>				<b>605.47</b>	<b>3,829.51</b>	<b>4,434.98</b>			<b>600.86</b>	<b>3,763.10</b>	<b>4,363.96</b>
	Less: Provision for diminution in value of investments				-	0.11	0.11			-	0.11	0.11
	<b>Total</b>				<b>605.47</b>	<b>3,829.40</b>	<b>4,434.87</b>			<b>600.86</b>	<b>3,762.99</b>	<b>4,363.85</b>
	Aggregate amount of Quoted Investments (net of provision)						605.47					600.86
	Aggregate market value of listed and quoted investments						2,920.11					3,710.45
	Aggregate amount of unquoted investments						3,829.40					3,762.99

# Shares can be transferred only with the prior approval of the Board of Directors of Tata Teleservices Ltd.  
\* value below ₹ 50,000/-

Abbreviations for Currencies :  
₹ : Indian Rupees  
USD : United States Dollars  
MAD : Moroccan Dirhams

## NOTES forming part of the Financial Statements (contd.)

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 15 : LONG-TERM LOANS AND ADVANCES</b>			
<b>1. Unsecured, considered good :</b>			
(a) Capital advances		4.01	11.07
(b) Deposits (with Government, public bodies and others)		29.55	19.43
(c) Advance towards preference/equity commitments of subsidiaries		-	9.38
(d) Loans and advances to employees		3.16	2.56
(e) Advances recoverable in cash/kind (note 27 (iii) for related party balances)		7.53	6.63
(f) Loans to others (footnote 'a')		-	7.61
(g) Advance payment of taxes (net of provision ₹ 1,727.65 crore (previous year ₹ 1,598.07 crore))		379.31	369.50
<b>2. Unsecured, considered doubtful :</b>			
(a) Advances recoverable in cash/kind	0.47		0.56
Less : Provision for advances recoverable in cash/kind	(0.47)		(0.56)
		-	-
		<b>423.56</b>	<b>426.18</b>

**Footnote:**

- (a) The Company has extended an unsecured subordinate loan to Tata Power Renewable Energy Limited (TPREL) for the purpose of setting up a 25 MW photovoltaic solar power plant and associate infrastructure at Mithapur, Gujarat. The loan carries an interest rate based on State Bank of India base rate plus 1.25%. During the year TPREL has repaid the entire loan along with the accrued interest.

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 16 : OTHER NON-CURRENT ASSETS</b>			
1. Unamortised cost on borrowings		6.40	11.04
2. Fixed Deposit with original maturity of more than one year		0.26	0.26
3. Gratuity Fund		-	1.79
		<b>6.66</b>	<b>13.09</b>

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 17 : INVENTORIES</b>			
1. Raw materials		495.89	649.73
2. Work-in-process (note 27 (xii))		33.67	33.26
3. Finished goods (note 27 (xii))		225.53	339.21
4. Stock in trade (acquired for trading) (note 27 (xii))		226.77	670.65
5. Stores and spare parts and packing materials		113.57	116.18
		<b>1,095.43</b>	<b>1,809.03</b>
<b>Inventories include goods in transit :</b>			
(a) Raw materials		88.50	225.63
(b) Stock in trade (acquired for trading)		16.21	280.83
(c) Stores and spares		1.03	1.59

**NOTES** forming part of the Financial Statements (contd.)

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 18 : TRADE RECEIVABLES</b>			
<b>1. Over six months old from the due date :</b>			
(a) Secured, considered good	0.64		0.37
(b) Unsecured, considered good	464.14		561.68
(c) Doubtful	33.37		28.85
	498.15		590.90
(d) Less : Provision for doubtful debts	33.37		28.85
		464.78	562.05
<b>2. Others :</b>			
(a) Secured, considered good	51.80		46.03
(b) Unsecured, considered good	2,036.30		1,878.24
(c) Doubtful	12.57		-
	2,100.67		1,924.27
(d) Less : Provision for doubtful debts	12.57		-
		2,088.10	1,924.27
		2,552.88	2,486.32

**Footnote:**

- (a) Trade receivables include ₹ 1,901.33 crore (previous year ₹ 1,971.64 crore) on account of subsidy receivable from the Government. Of this an amount of ₹ 470.44 crore (previous year ₹ 546.83 crore) is due for more than six months.

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 19 : CASH AND BANK BALANCE</b>			
<b>1. Cash and cash equivalents :</b>			
Balances with banks in			
(a) Current accounts	31.09		55.28
(b) Deposit accounts (with original maturity less than 3 months)	555.00		505.25
		586.09	560.53
Cheques, drafts on hand		0.51	0.82
Cash on hand		0.12	0.37
		586.72	561.72
<b>2. Other bank balances :</b>			
Earmarked balance with banks		13.76	12.58
		600.48	574.30

## NOTES forming part of the Financial Statements (contd.)

	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 20 : SHORT-TERM LOANS AND ADVANCES</b>		
<b>1. Unsecured, considered good :</b>		
(a) Deposits with Government, public bodies and others	62.40	43.43
(b) Advances recoverable in cash/kind (note 27 (iii) for related party balances)	8.20	12.94
(c) Advances to suppliers	282.46	108.95
(d) Advances to employees (footnote 'a')	1.70	2.94
(e) Other receivables	-	0.61
	<b>354.76</b>	<b>168.87</b>

**Footnote:**

- (a) Advances to employees include ₹ \* (previous year ₹ \*) due from Officer of the Company. Maximum balance outstanding during the year ₹ \* (previous year ₹ \*).  
\* value below ₹ 50,000

	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 21 : OTHER CURRENT ASSETS</b>		
1. Income accrued on investments	1.49	3.26
2. Claims receivable - Others	0.12	0.76
3. Claims receivable - Related party (note 27 (iii))	38.42	31.33
4. Unamortised cost of borrowings	4.65	5.10
5. Others (footnote "a")	26.72	32.67
	<b>71.40</b>	<b>73.12</b>

**Footnote:**

- (a) Others primarily consists of mark to market gain and premium on derivatives.

	₹ in crore	₹ in crore	Previous year ₹ in crore
<b>NOTE 22 : REVENUE FROM OPERATIONS</b>			
<b>1. Sales :</b>			
(a) Sales (footnote 'a') (note 27 (xi))		10,853.12	10,236.91
<b>2. Other operating income :</b>			
(a) Insurance claims	1.66		8.30
(b) Town income	2.43		2.48
(c) Liabilities no longer required - written back	4.96		27.16
(d) Miscellaneous income (footnote 'b')	44.09		61.27
		<b>53.14</b>	<b>99.21</b>
		<b>10,906.26</b>	<b>10,336.12</b>

**Footnotes:**

- (a) Sales includes subsidy income of ₹ **2,977.41 crore** (previous year ₹ 2,942.24 crore)  
(b) Miscellaneous income primarily includes sales of scrap ₹ **15.84 crore** (previous year ₹ 20.19 crore) and market development and support fees ₹ **16.53 crore** (previous year ₹ 33.18 crore)

**NOTES** forming part of the Financial Statements (contd.)

	₹ in crore	₹ in crore	Previous year ₹ in crore
<b>NOTE 23 : OTHER INCOME</b>			
<b>1. Dividend Income :</b>			
(a) Current investments	38.99		48.79
(b) Long term investments			
(i) Subsidiaries	14.60		23.36
(ii) Joint venture	19.25		43.97
(iii) Other	45.69		26.07
	79.54		93.40
		118.53	142.19
<b>2. Interest Income :</b>			
(a) On bank deposits	3.59		7.42
(b) On loans and advances	0.16		0.17
(c) On refund of taxes	16.87		17.27
(d) Other interest	1.00		1.96
		21.62	26.82
<b>3. Net gain on sale / redemption of investments :</b>			
(a) Current investments	0.02		1.27
(b) Long term investments	-		9.04
		0.02	10.31
<b>4. Profit on sale of fixed assets (net)</b>		-	0.18
<b>5. Corporate guarantee commission</b>		17.46	15.25
		157.63	194.75

	₹ in crore	₹ in crore	Previous year ₹ in crore
<b>NOTE 24 : EMPLOYEE BENEFITS EXPENSE</b>			
<b>1. Salaries, wages and bonus</b>	280.14		246.77
<b>2. Contribution to provident and other funds</b>	26.87		21.99
<b>3. Contribution to group insurance scheme</b>	0.28		0.03
<b>4. Workmen and staff welfare expenditure</b>	62.61		61.38
	369.90		330.17

	₹ in crore	₹ in crore	Previous year ₹ in crore
<b>NOTE 25 : FINANCE COSTS</b>			
<b>1. Interest expenses :</b>			
(a) Long-term borrowings	161.72		161.21
(b) Others	20.40		13.50
		182.12	174.71
<b>2. Discounting and other charges</b>		12.35	12.07
		194.47	186.78

## NOTES forming part of the Financial Statements (contd.)

	₹ in crore	Previous year ₹ in crore
<b>NOTE 26 : OTHER EXPENSES</b>		
1. Stores and spare parts consumed (note 27 (xviii))	88.08	95.35
2. Packing materials consumed (note 27 (xiii))	315.61	326.34
3. Power and fuel	947.41	1,034.95
4. Repairs - Buildings	8.49	8.82
- Machinery	78.44	71.06
- Others	0.48	0.42
5. Rent (note 27 (ix))	67.62	44.75
6. Royalty, rates and taxes	25.86	25.66
7. Excise duty adjustment for stocks	3.11	5.54
8. Commission and Distributors' service charges / discount	75.05	51.49
9. Sales promotion expenses	248.07	213.71
10. Insurance charges	12.06	12.63
11. Freight and forwarding charges	839.33	759.00
12. Loss on assets sold, discarded or write off	2.61	-
13. Bad debts written off	2.43	2.29
14. Provision for doubtful debts and advances (net)	17.09	9.75
15. Foreign exchange (gain)/loss (net)	138.82	175.91
16. Directors' fees and commission (footnote 'b')	7.75	7.40
17. Expenditure towards Corporate Social Responsibility (CSR) (footnote 'c')	13.97	10.20
18. Donations and Contributions (footnote 'a (2)')	3.98	4.35
19. Other expenses (footnote 'a')	239.64	214.73
	<b>3,135.90</b>	<b>3,074.35</b>

**Footnotes:**

(a) Other expenses ₹ 239.64 crore (previous year ₹ 214.73 crore) includes :

	₹ in crore	Previous year ₹ in crore
1. Auditors' Remuneration		
(i) For services as Auditors [includes ₹ 0.10 crore to Cost Auditor (previous year ₹ 0.14 crore)]	2.67	2.64
(ii) For tax matters	0.31	0.73
(iii) For other services	1.54	1.09
(iv) Reimbursement of expenses [includes ₹ 0.01 crore to Cost Auditors (previous year ₹ *)]	0.06	0.04
	<b>4.58</b>	<b>4.50</b>

\* value below ₹ 50,000

2. Contribution to Electoral Trust (Included in Donations and other contributions) (The Objects of the Trust inter alia, include " Distribution of funds" to political parties)	-	1.50
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## NOTES forming part of the Financial Statements (contd.)

		2015-16	2014-15
<b>NOTE 27:</b>			
<b>(i) Earnings Per Share (EPS):</b>			
<b>Basic and Diluted</b>			
(a) Profit after tax	₹ in crore	594.58	637.97
(b) The weighted average number of ordinary shares of ₹10 each	Nos.	25,47,56,278	25,47,56,278
(c) Earnings Per Share	₹	23.34	25.04

**(ii) Segment information :**
**(a) Information about primary business segments**

(₹ in crore)

	Inorganic chemicals		Fertilisers		Other agri inputs		Others		Elimination		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Revenue (net of excise):</b>												
External	3,355.76	3,157.35	6,409.10	6,268.61	422.29	373.22	461.90	283.47	-	-	10,649.05	10,082.65
Inter-segment	151.43	162.89	-	-	-	-	-	-	(151.43)	(162.89)	-	-
Unallocated Revenue	-	-	-	-	-	-	-	-	-	-	0.86	0.95
<b>Total Revenue</b>	<b>3,507.19</b>	<b>3,320.24</b>	<b>6,409.10</b>	<b>6,268.61</b>	<b>422.29</b>	<b>373.22</b>	<b>461.90</b>	<b>283.47</b>	<b>(151.43)</b>	<b>(162.89)</b>	<b>10,649.91</b>	<b>10,083.60</b>
<b>Result :</b>												
Segment result	896.27	791.64	204.86	264.79	35.66	38.76	(48.36)	(47.74)	-	-	1,088.43	1,047.45
Net Unallocated income / (expenditure)											(92.04)	(6.58)
Less: Finance costs											194.47	186.78
<b>Profit before Tax</b>											<b>801.92</b>	<b>854.09</b>
Less: Tax expense											207.34	216.12
<b>Profit after Tax</b>											<b>594.58</b>	<b>637.97</b>

**Other information :**

(₹ in crore)

	Inorganic chemicals		Fertilisers		Other agri inputs		Others		Unallocated		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Segment assets	1,838.57	1,818.27	3,658.67	4,290.74	81.00	88.14	353.15	176.49	5,629.50	5,505.34	11,560.89	11,878.98
Segment liabilities	561.86	539.28	674.29	1,646.88	33.77	42.55	70.03	38.69	3,826.72	3,568.31	5,166.67	5,835.71
Capital expenditure	162.14	99.01	59.25	30.85	-	-	5.59	12.36	20.43	21.86	247.41	164.08
Depreciation	115.13	119.91	55.75	61.12	-	-	3.19	1.68	13.68	10.00	187.75	192.71
Non-cash expenses other than depreciation and amortisation	27.82	19.63	36.27	92.31	1.52	0.38	1.56	0.45	92.83	(28.48)	160.00	84.29

**(b) Notes:**

(i) Management has identified three reportable business segments, namely :

- Inorganic chemicals: Comprising soda ash, marine chemicals, caustic soda, cement, bulk chemicals and salt.
- Fertilisers: Comprising fertilisers including urea and phosphatic.
- Other agri inputs: Comprising traded seeds, pesticides, speciality crop nutrients
- Others: Comprising pulses, spices, water purifiers and nutritional solutions

Segments have been identified and reported taking into account the nature of products, the integration of manufacturing processes, the organisation structure and the internal financial reporting systems.

(ii) Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

**(c) Information about secondary geographical segments**

The company sells its products mainly within India where the conditions prevailing are uniform. Since the sales outside India are below threshold limit, no separate geographical segment disclosure is considered necessary.

## NOTES forming part of the Financial Statements (contd.)

### (iii) Related Party Disclosure:

#### (a) Related Parties and their relationship (as defined under AS-18 Related Party Disclosures)

Subsidiaries	Joint Ventures	Associate	Key Management Personnel
<b>Direct</b>	<b>Direct</b>		
1 Rallis India Limited, India	1 Indo Maroc Phosphore S.A., Morocco	Crystal Peak Minerals Inc. (formerly EPM Mining Ventures Inc.)	Mr. R. Mukundan, Managing Director
2 Bio Energy Venture - 1 (Mauritius) Pvt. Ltd, Mauritius			Mr. P. K. Ghose, Executive Director & CFO (upto 30th September 2015)
<b>Indirect</b>	<b>Indirect</b>		<b>Promoter Group</b>
1 Homefield Pvt. UK Limited, United Kingdom	1 Alcad, United States of America		Tata Sons Limited, India
2 Tata Chemicals Africa Holdings Limited, United Kingdom			
3 Tata Chemicals South Africa Pty Limited, South Africa	2 JOil (S) Pte. Ltd, Singapore		
4 Tata Chemicals Magadi Limited, United Kingdom	3 The Block Salt Company Limited, United Kingdom		
5 Magadi Railway Company Limited, Kenya	4 Natronx Technologies LLC, United States of America		
6 Homefield 2 UK Limited, United Kingdom			
7 Tata Chemicals (Europe) Holdings Limited, United Kingdom			
8 Cheshire Salt Holdings Limited, United Kingdom			
9 Cheshire Salt Limited, United Kingdom			
10 British Salt Limited, United Kingdom			
11 Brinefield Storage Limited, United Kingdom			
12 Cheshire Cavity Storage 2 Limited, United Kingdom			
13 Cheshire Compressor Limited, United Kingdom			
14 Irish Feeds Limited, United Kingdom			
15 New Cheshire Salt Works Limited, United Kingdom			
16 Brunner Mond Group Limited, United Kingdom			
17 Tata Chemicals Europe Limited, United Kingdom			
18 Winnington CHP Limited			
19 Brunner Mond Generation Company Limited, United Kingdom			
20 Brunner Mond Limited, United Kingdom			
21 Northwich Resource Management Limited, United Kingdom			
22 Gusiute Holdings (UK) Limited, United Kingdom			
23 TCNA (UK) Limited, United Kingdom			
24 Valley Holdings Inc., United States of America			
25 Tata Chemicals North America Inc., United States of America			
26 General Chemical International Inc., United States of America			
27 NHO Canada Holdings Inc., United States of America			
28 General Chemical Canada Holding Inc, Canada			
29 TCSAP Holdings, United States of America **			
30 TCSAP LLC, United States of America			
31 Tata Chemicals (Soda Ash) partners (TCSAP), United States of America **			
32 Tata Chemicals International Pte. Limited, Singapore			
33 Grown Energy Zambeze Holdings Pvt. Ltd, Mauritius			
34 Grown Energy (Proprietary) Limited, South Africa			
35 Grown Energy Zambeze Limitada, Mozambique			
36 Rallis Chemistry Exports Limited, India			
37 Metahelix Life Sciences Ltd (Metahelix), India#			
38 Zero Waste Agro Organics Ltd (ZWAOL), India ##			
39 General Chemical (Great Britain) Limited @			

\*\* a general partnership formed under the laws of the State of Delaware (USA).

# Rallis has acquired additional equity shares, consequent to which share has increased to 100% from 80.51% in Metahelix Life Sciences Limited during the year.

## Rallis has acquired additional equity shares, consequent to which share has increased to 73.63% from 73.59% in ZWAOL during the year.

@ General Chemical (Great Britain) Limited, a step-down subsidiary ceased to exist with effect from 16th June, 2015.



## NOTES forming part of the Financial Statements (contd.)

### (iv) Employee Benefit Obligations:

- (a) The Company makes contribution towards provident fund, in substance a defined contribution retirement benefit plan and towards pension, superannuation fund, a defined contribution retirement plan for qualifying employees. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund and the superannuation fund is administered by the Trustees of the Tata Chemicals Limited Superannuation Fund. Under the schemes, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit.

On account of the above Contribution Plans, a sum of ₹ 14.28 crore (previous year ₹ 12.78 crore) has been charged to the Statement of Profit and Loss.

- (b) The Company makes annual contributions to the Tata Chemicals Employees' Gratuity Trust and to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, for funding the defined benefit plans for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement or death while in employment or on termination of employment. Employees, upon completion of the vesting period, are entitled to a benefit equivalent to either half month, three fourth month and full month salary last drawn for each completed year of service depending upon the completed years of continuous service in case of retirement or death while in employment. In case of termination, the benefit is equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of continuous service.

The Company also provides post retirement medical benefits to eligible employees under which employees at Mithapur who have retired from service of the Company are entitled for free medical facility at the Company hospital during their lifetime. Other employees are entitled to domiciliary treatment exceeding the entitled limits for the treatments covered under the Health Insurance Scheme upto slabs defined in the scheme. The floater mediclaim policy also covers retired employees based on eligibility, for such benefit.

The Company provides pension, housing / house rent allowance and medical benefits to retired Managing and Executive Directors who have completed ten years of continuous service in Tata Group and three years of continuous service as Managing Director/ Executive Director or five years of continuous service as Managing Director/Executive Director. The directors are entitled upto seventy five percent of last drawn salary for life and on death 50% of the pension is payable to the spouse for the rest of his/her life.

Family benefit scheme is applicable to all permanent employees in management, officers and workmen who have completed one year of continuous service. In case of untimely death of the employee, nominated beneficiary is entitled to an amount equal to the last drawn salary (Basic Salary, DA and FDA) till the normal retirement date of the deceased employee.

The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out at 31st March, 2016. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following tables set out the funded status and amounts recognised in the Company's financial statements as at 31st March, 2016 for the Defined Benefits Plans.

		(₹ in crore)							
		As at 31-Mar-2016				As at 31-Mar-2015			
		Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme
<b>1</b>	<b>Changes in the defined benefit obligation:</b>								
	Projected defined benefit obligation								
	At the beginning of the year	80.00	34.93	28.75	14.39	70.14	28.52	22.97	14.27
	Current Service Cost	4.34	1.73	0.42	1.34	3.81	1.32	0.31	1.27
	Interest cost	6.27	2.89	2.27	1.22	6.19	2.66	2.06	1.36
	Actuarial (gain) / loss	8.24	4.39	1.98	(0.37)	7.58	3.27	3.99	(1.51)
	Past Service Cost	-	-	-	-	-	-	0.43	-
	Transfer in / Transfer out	(0.26)	-	-	-	-	-	-	-
	Benefits paid	(10.81)	(1.06)	(1.56)	(1.03)	(7.72)	(0.84)	(1.01)	(1.00)
	<b>At the end of the year</b>	<b>87.78</b>	<b>42.88</b>	<b>31.86</b>	<b>15.55</b>	<b>80.00</b>	<b>34.93</b>	<b>28.75</b>	<b>14.39</b>

# NOTES forming part of the Financial Statements (contd.)

(₹ in crore)

	As at 31-Mar-2016				As at 31-Mar-2015			
	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme
<b>2 Changes in the fair value of plan assets:</b>								
Fair value of plan assets								
At the beginning of the year	81.40	-	-	-	77.14	-	-	-
Expected return on plan assets	6.54	-	-	-	6.08	-	-	-
Employer's contributions	7.48	1.06	1.56	1.03	3.85	0.84	1.01	1.00
Actuarial gain / (loss)	0.12	-	-	-	2.05	-	-	-
Transfer in / transfer out	0.00	-	-	-	0.00	-	-	-
Benefits paid	(10.81)	(1.06)	(1.56)	(1.03)	(7.72)	(0.84)	(1.01)	(1.00)
<b>At the end of the year</b>	<b>84.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81.40</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(Asset)/Liability (net)</b>	<b>3.05</b>	<b>42.88</b>	<b>31.86</b>	<b>15.55</b>	<b>(1.40)</b>	<b>34.93</b>	<b>28.75</b>	<b>14.39</b>

**3 Net employee benefit expense (recognised in employee cost) for the year:**

(₹ in crore)

	2015-16				2014-15			
	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme	Gratuity	Post retirement medical benefits	Directors' retirement obligations	Family benefit scheme
Current service cost	4.34	1.73	0.42	1.34	3.81	1.32	0.31	1.27
Interest on defined benefit obligation	6.27	2.89	2.27	1.22	6.19	2.66	2.06	1.36
Expected return on plan assets	(6.54)	-	-	-	(6.08)	-	-	-
Net actuarial (gain) / loss recognised in the year	8.12	4.39	1.98	(0.37)	5.53	3.27	3.99	(1.51)
Past service cost	-	-	-	-	-	-	0.43	-
Effect of the Limit in Para 59(b) of AS - 15	-	-	-	-	(0.24)	-	-	-
<b>Total expenses recognised in the Statement of Profit and Loss</b>	<b>12.19</b>	<b>9.01</b>	<b>4.67</b>	<b>2.19</b>	<b>9.21</b>	<b>7.25</b>	<b>6.79</b>	<b>1.12</b>
Expected employer's contribution next year	3.00	1.10	1.69	0.90	3.00	0.98	1.23	0.97
Actual return on plan assets	6.66	-	-	-	8.13	-	-	-

**4 Categories of plan assets as a percentage of the fair value of total plan assets :**

	Gratuity	
	As at 31-Mar-2016	As at 31-Mar-2015
	%	%
Government of India Securities	20	25
Corporate Bonds	11	12
Fund Managed by Life Insurance Corporation of India	68	62
Others	1	1
<b>Total</b>	<b>100</b>	<b>100</b>

## NOTES forming part of the Financial Statements (contd.)

### 5 Assumptions used in accounting for gratuity, compensated absences, post retirement medical benefits, directors' retirement obligations and family benefit scheme:

	Gratuity and compensated absences	Post retirement medical benefits	Directors' retirement obligations	Family Benefit Scheme
Discount rate	7.80%	7.80%	7.80%	7.80%
	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	8.50%	NA	NA	NA
	8.50%	NA	NA	NA
Increase in Compensation cost	10% for first year and 7.5% thereafter	NA	10% for first year and 7.5% thereafter	10% for first year and 7.5% thereafter
	10% for first year and 7.5% thereafter	NA	10% for first year and 7.5% thereafter	10% for first year and 7.5% thereafter
Healthcare cost increase rate	NA	8.00%	8.00%	NA
	NA	8.00%	8.00%	NA
Pension increase rate	NA	NA	5.00%	NA
	NA	NA	5.00%	NA

- (a) Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.
- (b) Expected rate of return on plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.
- (c) The estimates of future salary increases, considered in actuarial valuation, take into account the inflation, seniority, promotion and other relevant factors.

### 6 Effect of change in assumed health care cost trend rate for post retirement medical benefits

(₹ in crore)

	2015-16		2014-15	
	1% increase	1% decrease	1% increase	1% decrease
Effect on the aggregate of the service cost and interest cost	0.93	(0.75)	0.87	(0.81)
Effect on defined benefit obligation	7.63	(6.11)	6.56	(5.36)

### 7 Experience adjustments:

(₹ in crore)

	2015-16	2014-15	2013-14	2012-13	2011-12	2015-16	2014-15	2013-14	2012-13	2011-12
	Gratuity					Directors' retirement obligations				
Defined benefit obligation	87.78	80.00	70.14	69.52	64.12	31.87	28.75	22.97	23.05	15.34
Plan assets	84.73	81.40	77.14	74.07	61.10	-	-	-	-	-
Surplus / (deficit)	(3.05)	1.40	7.00	4.55	(3.02)	(31.87)	(28.75)	(22.97)	(23.05)	(15.34)
Experience adjustments on plan liabilities	6.94	0.61	1.56	0.99	5.25	1.18	0.46	0.29	5.52	(3.53)
Experience adjustments on plan assets	0.12	2.03	0.43	5.68	1.40	-	-	-	-	-
	Post retirement medical benefits					Family benefit scheme				
Defined benefit obligation	42.89	34.93	28.52	23.59	15.63	15.55	14.40	14.27	15.07	14.95
Plan assets	-	-	-	-	-	-	-	-	-	-
Surplus / (deficit)	(42.89)	(34.93)	(28.52)	(23.59)	(15.63)	(15.55)	(14.40)	(14.27)	(15.07)	(14.95)
Experience adjustments on plan liabilities	3.06	(1.66)	(1.68)	5.09	1.65	(0.82)	(1.89)	(1.58)	(1.20)	2.89
Experience adjustments on plan assets	-	-	-	-	-	-	-	-	-	-

## NOTES forming part of the Financial Statements (contd.)

- 8 The details of the Company's post-retirement and other benefit plans for its employees given above are certified by the actuary and relied upon by the Auditors.

(v) **The proportionate share of assets, liabilities, income and expenditure, contingent liabilities and capital commitments of the Joint Ventures are as given below:**

(₹ in crore)

Country of Incorporation	Indo Maroc Phosphore S. A.		Alcad		JOil (S) Pte. Limited		The Block Salt Company Limited		Natronx Technologies LLC	
	Morocco		United States of America		Singapore		United Kingdom		United States of America	
Percentage of ownership interest	33.33%		50.00%		33.78%		50.00%		33.30%	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Liabilities	129.07	119.74	19.56	16.63	1.58	1.52	0.69	1.06	4.28	4.75
Assets	323.68	286.75	19.56	16.63	33.83	30.43	3.19	3.29	5.11	129.03
Income	608.77	577.04	173.27	149.84	5.08	2.60	5.61	6.09	26.61	16.04
Expenditure	578.11	536.20	115.55	99.29	13.52	13.69	5.33	5.45	32.73	22.39
Profit/(Loss) after tax for the year	30.66	40.84	57.72	50.55	(8.44)	(11.09)	0.28	0.64	(6.12)	(6.35)
Contingent Liabilities	-	-	-	-	-	-	-	-	-	-
Capital Commitments	-	-	-	-	-	0.91	-	-	-	-

(vi) **Disclosure as required by AS - 29 "Provisions, Contingent Liabilities and Contingent Assets" in respect of provisions as at 31st March, 2016.**

- (a) The Company has made provision for various obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below.

(₹ in crore)

Particulars	Warranty		Site restoration expenses		Others		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Opening balance	0.38	0.12	12.57	12.57	88.39	62.70	101.34	75.39
Add: Provision during the year	0.28	0.45	-	-	31.43	29.57	31.71	30.02
Less: Payments / utilisation during the year	-	-	-	-	(16.87)	(0.68)	(16.87)	(0.68)
Less: Unused amount reversed during the year	(0.38)	(0.19)	-	-	(1.02)	(3.20)	(1.40)	(3.39)
<b>Closing balance</b>	<b>0.28</b>	<b>0.38</b>	<b>12.57</b>	<b>12.57</b>	<b>101.93</b>	<b>88.39</b>	<b>114.78</b>	<b>101.34</b>

- (b) Nature of provisions:

- (i) Warranty: The Company gives warranties on certain products that fail to perform satisfactorily during the warranty period. Provision made as at March 31, 2016 represents the amount of the expected cost of meeting such obligations of rectification/ replacement. The timing of the outflows is expected to be within a period of one year from the date of Balance Sheet.
- (ii) Provision for site restoration expense is in respect of afforestation and bio-diversity charges.
- (iii) Other provisions represent mainly provision for litigations that are expected to materialise in respect of matters in appeal and expected tax liability in respect of indirect and other taxes.

**NOTES** forming part of the Financial Statements (contd.)**(vii) Derivative Instruments:**

(a) As at 31st March, 2016 the Company has the following derivative instruments outstanding:

				(in million)	
		Hedged Exposure	Currency	As at 31-Mar-2016	As at 31-Mar-2015
Foreign Currency Forward Contracts					
	USD / INR	Foreign Currency Loans	USD	<b>195.35</b>	146.49
	USD / INR	Foreign Currency Acceptances	USD	<b>40.45</b>	122.49
	USD / INR	Foreign Currency Trade Payables	USD	<b>20.83</b>	87.19
	EUR / INR	Foreign Currency Trade Payables	EUR	<b>0.62</b>	-
	CHF / INR	Foreign Currency Trade Payables	CHF	<b>0.03</b>	-
	USD / INR	Highly Probable Forecast Transactions	USD	<b>5.05</b>	35.40
	EUR / INR	Highly Probable Forecast Transactions	EUR	<b>0.68</b>	0.88
Currency Option Contracts					
	USD / INR	External Commercial Borrowing	USD	<b>15.00</b>	15.00
<b>Swaps</b>					
Full Currency Swap					
(exchange rate / interest rate)	USD / INR	External Commercial Borrowing	USD	<b>235.00</b>	235.00
Coupon only Swap					
		External Commercial Borrowing	USD	<b>15.00</b>	15.00

(b) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

	Foreign Currency	As at 31-Mar-2016		As at 31-Mar-2015	
		Amount in Foreign Currency (in million)	₹ in crore	Amount in Foreign Currency (in million)	₹ in crore
Receivables					
	USD	<b>6.37</b>	<b>42.17</b>	48.18	301.11
	SGD	-	-	0.03	0.12
	JPY	-	-	1.60	0.08
	GBP	<b>0.49</b>	<b>4.71</b>	0.17	1.59
	EUR	<b>0.07</b>	<b>0.56</b>	0.52	3.51
	CHF	-	-	0.06	0.39
Payables					
	USD	<b>12.78</b>	<b>84.70</b>	70.35	439.65
	JPY	-	-	3.50	0.18
	GBP	<b>0.05</b>	<b>0.44</b>	0.08	0.72
	EUR	<b>0.12</b>	<b>0.93</b>	0.89	5.98
	CHF	-	-	0.18	1.14

**(viii) Contingent liabilities and commitments (to the extent not provided for):****(i) Contingent liabilities:**

(a) Guarantees:

(i) Guarantees provided by the Company to third parties on behalf of subsidiaries aggregates **USD 408.40 million & GBP 2.76 million (₹ 2,732.17 crore)** (previous year USD 360.40 million & GBP 2.76 million (₹ 2,277.99 crore)). The purpose of the guarantees are as follows:

(a) **USD 398.40 million, ₹ 2,639.59 crore** (previous year USD 344.40 million, ₹ 2,152.50 crore) has been provided as security for the term loans from banks to Homefield Pvt. UK Limited, Tata Chemicals Magadi Limited and Tata Chemicals International Pte. Limited.

## NOTES forming part of the Financial Statements (contd.)

- (b) **USD 10 million, ₹ 66.26 crore** (previous year USD 10 million, ₹ 62.50 crore) and USD Nil million, ₹ Nil crore (previous year USD 6 million, ₹ 37.50 crore) has been provided as security for the interest rate swap and working capital loan respectively taken by Tata Chemicals International Pte. Limited from banks.
- (c) **GBP 2.76 million, ₹ 26.32 crore** (previous year GBP 2.76 million, ₹ 25.49 crore) has been provided to the Secretary of State for Business, Innovation and Skills, Department for Business, Innovation and Skills, London as parent guarantee in connection with the grant received by Tata Chemicals Europe Limited under the Industrial Development Act 1982.

- (b) Claims not acknowledged by the Company relating to cases contested by the Company and which, in the opinion of the Management, are not likely to devolve on the Company relating to the following areas:

		(₹ in crore)	
		As at 31-Mar-2016	As at 31-Mar-2015
(i)	Excise and Customs	21.80	21.70
(ii)	Sales Tax	9.54	9.75
(iii)	Demand for utility charges	11.02	18.38
(iv)	Labour and other claims against the Company not acknowledged as debt	11.42	8.79
(v)	Income Tax (pending before Appellate authorities in respect of which the Company is in appeal)	168.93	160.29
(vi)	Income Tax (decided in Company's favour by Appellate authorities and Department is in further appeal)	47.15	46.93

- (c) Various claims pending before Industrial Tribunals and Labour Courts of which amounts are indeterminate.

### (ii) Commitments:

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 68.44 crore (previous year ₹ 77.38 crore).
- (b) For commitments related to derivatives and leases refer note 27 (vii) and 27 (ix) respectively.

### (ix) Operating Leases:

#### As a lessee

- (a) General description of significant leasing arrangements :

The payments made by the Company as lessee in accordance with operational leasing contracts or rental agreements are expensed proportionally during the lease or rental period respectively. The Company has entered into operating lease arrangement for storage tank from a vendor. The leases are non cancellable and are for a period of 15 years with an option for renewal by a further period of 10 years based on mutual agreements of all the parties.

		(₹ in crore)	
		2015-16	2014-15
(b)	Total of minimum lease payments	35.94	53.13
	The total of future minimum lease payments under non-cancellable operating leases for a period :		
	Not later than one year	17.71	17.19
	Later than one year and not later than five years	18.23	35.94
	Later than five years	-	-
(c)	Lease payments recognised in the Statement of Profit and Loss for the year (included in rent and cost of materials consumed)	87.25	63.49

## NOTES forming part of the Financial Statements (contd.)

### (x) Details of unutilised amounts out of issue of securities for the specific purpose:

During 2010-11, the Company issued Equity shares to Tata Sons Limited amounting to ₹ 363.40 crore to fund various growth plans and projects. As at 31st March, 2016, this balance of ₹ 363.40 crore (previous year ₹ 363.40 crore) is pending utilisation for the specified activities and this unutilised amount has been kept invested in bank fixed deposits / money market mutual funds, pending final utilisation.

### (xi) Sales of Products comprises of:

	(₹ in crore)	
	Sales	
	2015-16	2014-15
<b>Manufactured Goods:</b>		
Soda Ash	1,518.65	1,499.93
Sodium Bicarbonate	191.95	186.30
Vaccum and Iodised Salt	1,248.29	1,082.83
Cement	213.95	219.06
Customised Fertiliser	56.94	66.73
NP 20:20	285.65	155.05
Urea	2,244.50	2,263.85
Diammonium Phosphate (DAP)	324.68	292.68
Nitrogen Phosphate Potash (NPK)	1,170.92	1,445.94
Single Super Phosphate	187.56	207.17
Sulphuric Acid	20.11	47.01
Others	73.15	100.44
<b>Total - Sale of Manufactured goods</b>	<b>7,536.35</b>	<b>7,566.99</b>
<b>Traded Goods:</b>		
Solar Evaporated Salt I-shakti	175.74	138.90
Diammonium Phosphate (DAP)	1,582.91	1,205.34
Muriate of Potash (MOP)	280.67	323.73
Soda Ash	83.56	35.46
Pesticides	277.71	234.82
Seeds	137.92	134.49
Pulses	410.89	239.54
Others	367.37	357.64
<b>Total - Sale of Traded goods</b>	<b>3,316.77</b>	<b>2,669.92</b>
<b>Total Sales</b>	<b>10,853.12</b>	<b>10,236.91</b>

### (xii) Closing Stocks of Finished Goods and Work-in-progress comprises:

	(₹ in crore)			
	Finished Goods		Work-in-progress	
	As at 31-Mar-2016	As at 31-Mar-2015	As at 31-Mar-2016	As at 31-Mar-2015
<b>Manufactured Goods:</b>				
Soda Ash	36.46	20.41	2.01	4.02
Sodium Bicarbonate	2.11	2.25	0.13	-
Vacuum and Iodised Salt	40.13	34.19	-	-
Cement	0.96	1.63	2.38	3.40
Ammonia	-	-	5.60	4.63
Customised Fertiliser	19.59	4.90	0.29	0.12

## NOTES forming part of the Financial Statements (contd.)

(₹ in crore)

		Finished Goods		Work-in-progress	
		As at 31-Mar-2016	As at 31-Mar-2015	As at 31-Mar-2016	As at 31-Mar-2015
Urea		42.84	24.81	-	-
Diammonium Phosphate (DAP)		19.78	0.70	-	-
Nitrogen Phosphate Potash (NPK)		8.76	155.11	-	-
NP 20:20		33.95	52.43	-	-
Single Super Phosphate		8.68	27.02	-	-
Sulphuric Acid		1.54	1.75	-	-
Clinker		-	-	22.25	20.04
Others		10.73	14.01	1.01	1.05
<b>Total closing stocks of Finished Goods and Work-in-progress</b>	<b>[A]</b>	<b>225.53</b>	<b>339.21</b>	<b>33.67</b>	<b>33.26</b>
Changes in Inventory of Finished Goods and Work-in-progress (a)		(113.68)	242.46	0.41	12.62
<b>Traded Goods :</b>					
Solar Evaporated Salt I-Shakti		12.82	10.71	-	-
Soda Ash		11.74	22.66	-	-
Sodium Tripolyphosphate (STPP)		7.92	5.36	-	-
Diammonium Phosphate (DAP)		17.50	375.23	-	-
Muriate of Potash (MOP)		33.88	126.55	-	-
Others - Trading		142.91	130.14	-	-
<b>Total closing stock of Traded Goods</b>	<b>[B]</b>	<b>226.77</b>	<b>670.65</b>	<b>-</b>	<b>-</b>
Changes in Inventory of Traded Goods (b)		(443.88)	595.76	-	-
<b>Total Inventories of Work-in-progress, Finished Goods and Stock-in-Trade</b>	<b>[A+B]</b>	<b>452.30</b>	<b>1,009.86</b>	<b>33.67</b>	<b>33.26</b>
Changes in Inventory of Work-in-progress, Finished Goods and Stock in Trade (a+b)		(557.15)	850.84		

**(xiii) Raw Materials and Packing Materials consumed comprises:**

(₹ in crore)

	2015-16	2014-15
Limestone	214.58	209.19
Salt	38.91	54.80
Coke	85.64	100.76
Coal	73.83	86.68
Soda ash	62.65	67.00
Natural Gas and Regasified Liquefied Natural Gas (RLNG)	1,132.34	1,182.34
Diammonium Phosphate (DAP)	28.19	23.33
Phosphoric Acid	692.86	828.84
Ammonia	283.17	404.09
Muriate of Potash (MOP)	286.21	446.03
Rock	144.88	161.30
Sulphur	65.03	93.58
Other Raw Materials	152.64	120.61
Packing Materials	315.61	326.34
	<b>3,576.54</b>	<b>4,104.89</b>

**NOTES** forming part of the Financial Statements (contd.)**(xiv) Value of imports (C.I.F. Value):**

	(₹ in crore)	
	2015-16	2014-15
(a) Raw materials and fuel	1,744.34	2,193.24
(b) Traded products*	1,361.35	1,905.10
(c) Stores, components and spare parts*	5.74	6.94
(d) Capital goods*	18.22	9.08
	<b>3,129.65</b>	<b>4,114.36</b>

\* Value of Import has been arrived on the basis of INCO terms agreed with the vendor.

**(xv) Expenditure in foreign currencies:**

	(₹ in crore)	
	2015-16	2014-15
(a) Technical know how fees	1.57	1.82
(b) Interest	57.75	47.36
(c) Payments on other accounts	3.44	4.89
	<b>62.76</b>	<b>54.07</b>

**(xvi) Remittances in foreign currencies for dividends:**

The Company has remitted during the year ₹ 0.01 crore (previous year ₹ 0.39 crore) in foreign currencies on account of dividends and does not have information as to the extent to which other remittances, if any, in foreign currencies on account of dividends have been made by / on behalf of non-resident shareholders.

	(₹ in crore)	
	2015-16	2014-15
(a) Amount of dividend remitted in foreign currency (₹ in crore)	0.01	0.39
(b) Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	6	7
(c) Total number of shares held by them on which dividend was due	7,603	3,85,885
(d) Year end to which the dividend related	March-2015	March-2014

**(xvii) Earnings in foreign exchange:**

	(₹ in crore)	
	2015-16	2014-15
(a) Export of goods on F.O.B. basis	12.55	11.02
(b) Miscellaneous Income	33.99	49.01
(c) Dividend	19.25	43.97
	<b>65.79</b>	<b>104.00</b>

**(xviii) Value of imported and indigenous raw materials, stores, components and spare parts consumed:**

	2015-16		2015-16		2014-15		2014-15	
	Raw Materials		Stores, Components and Spare Parts		Raw Materials		Stores, Components and Spare Parts	
	₹ in crore	%	₹ in crore	%	₹ in crore	%	₹ in crore	%
(a) Imported	1,724.23	52.88	9.53	10.82	2,203.72	58.32	9.77	10.25
(b) Indigenous	1,536.70	47.12	78.55	89.18	1,574.83	41.68	85.58	89.75
	<b>3,260.93</b>	<b>100.00</b>	<b>88.08</b>	<b>100.00</b>	<b>3,778.55</b>	<b>100.00</b>	<b>95.35</b>	<b>100.00</b>

## NOTES forming part of the Financial Statements (contd.)

### (xix) Expenditure incurred on Scientific Research and Development activities @

	2015-16	2014-15
	(₹ in crore)	
(i) Revenue Expenditure (note 24 and 26 of Statement of Profit and Loss includes) :		
(a) Innovation Centre, Pune	28.51	20.94
(b) Centre for agri-solutions and technology, Aligarh	1.72	1.64
(c) Mithapur, Okhalamandal	0.39	0.53
(ii) Capital expenditure		
(a) Innovation Centre, Pune	8.31	43.80
(b) Centre for agri-solutions and technology, Aligarh	-	0.14
(c) Mithapur, Okhalamandal	0.04	7.18

@ The above figures are based on the separate accounts for the research and development (R&D) centres recognised by the Department of Scientific and Industrial Research, Ministry of Science and Technology (DSIR) for in-house research.

(xx) The figures in light print are for previous year.

(xxi) Asterisk (\*) denotes figures below ₹ 50,000.

(xxii) Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's figures.

Signatures to Notes '1' to '27',  
For and on behalf of the Board

**Cyrus P. Mistry**  
Chairman

**Dr. Y. S. P. Thorat**  
Director

**Nusli N. Wadia**  
Director

**Vibha Paul Rishi**  
Director

**Nasser Munjee**  
Director

**Bhaskar Bhat**  
Director

**Eknath A. Kshirsagar**  
Director

**R. Mukundan**  
Managing Director

**John Mulhall**  
Chief Financial Officer

**Rajiv Chandan**  
General Counsel & Company Secretary

Mumbai, 26th May, 2016

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF TATA CHEMICALS LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of TATA CHEMICALS LIMITED (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31 March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated

financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31 March 2016, and their consolidated profits and their consolidated cash flows for the year ended on that date.

#### Emphasis of Matter

We draw attention to Note 30 (iv) (C) of the consolidated financial statements regarding the accounting of actuarial gains and losses on employee pension funds of overseas subsidiaries in "Reserves and Surplus" in accordance with the generally accepted accounting principles applicable in the country of incorporation for the reasons stated therein, as against such gains and losses being accounted in the Consolidated Financial Results as per the generally accepted accounting principles in India. Had the Group followed the practice of recognizing such gains and losses in the Consolidated Financial Results, the Consolidated Net Profit before tax and Consolidated Net Profit after tax and minority interest for the year ended 31 March 2016 would have been higher by ₹ 68.99 crore and ₹ 64.98 crore respectively.

Our opinion is not modified in respect of this matter.

#### Other Matters

- a) We did not audit the financial statements of 34 subsidiaries, and 5 jointly controlled entities, whose financial statements reflect total assets of ₹ 11,693.18 crore as at 31 March 2016, total revenues of ₹ 5,494.60 crore and net cash inflows amounting to ₹ 42.94 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included

in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

- b) We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹ 5.17 crore as at 31 March 2016, total revenues of ₹ 0.12 crore and net cash outflows amounting to ₹ 0.40 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of loss of ₹ 3.15 crore for the year ended 31 March 2016, as considered in the consolidated financial statements, in respect of an Associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory

auditors of its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding Company, subsidiary companies, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 30 (vi) and (viii) to the consolidated financial statements
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 30 (vi) to the consolidated financial statements in respect of such items as it relates to the Group, its associates and jointly controlled entities and (b) the Group's share of loss in respect of its associate. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on derivative contracts
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India, except in cases wherein disputes relating to the ownership of the underlying shares have remained unresolved.

for **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Sanjiv V. Pilgaonkar**  
Partner  
(Membership No. 039826)

Place: Mumbai  
Date: 26th May, 2016

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Tata Chemicals Limited (hereinafter referred to as the “Holding Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining

an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, have, in all material respects, an adequate internal

financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 3 subsidiary

companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

for **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Sanjiv V. Pilgaonkar**  
Partner  
(Membership No. 039826)

Place: Mumbai  
Date: 26th May, 2016

# CONSOLIDATED BALANCE SHEET

as at 31st March, 2016

	Note	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>I. EQUITY AND LIABILITIES</b>				
<b>1. Shareholders' Funds</b>				
(a) Share Capital	3	254.82		254.82
(b) Reserves and Surplus	4	6,033.58		5,296.89
			6,288.40	5,551.71
<b>2. Minority Interest</b>				
			747.01	673.49
<b>3. Non-Current Liabilities</b>				
(a) Long-Term Borrowings	5	6,743.50		5,708.25
(b) Deferred Tax Liabilities (net)	6	204.49		227.16
(c) Other Long-Term Liabilities	7	29.03		21.16
(d) Long-Term Provisions	8	1,779.26		1,738.99
			8,756.28	7,695.56
<b>4. Current Liabilities</b>				
(a) Short-Term Borrowings	9	1,520.18		1,293.19
(b) Trade Payables	10	1,676.87		2,638.32
(c) Other Current Liabilities	11	1,434.93		2,241.15
(d) Short-Term Provisions	12	669.38		729.62
			5,301.36	6,902.28
<b>TOTAL</b>			<b>21,093.05</b>	<b>20,823.04</b>
<b>II. ASSETS</b>				
<b>1. Non-Current Assets</b>				
(a) Fixed Assets	13			
(i) Tangible Assets		4,582.04		4,371.46
(ii) Intangible Assets		26.53		30.48
(iii) Capital Work-in-Progress		257.45		169.69
(iv) Intangible Assets Under Development		26.46		19.62
		4,892.48		4,591.25
(b) Goodwill on Consolidation (net of impairment)	29(b)	7,394.29		6,956.99
(c) Non-Current Investments	14	440.98		437.42
(d) Deferred Tax Assets (net)	6	62.72		20.96
(e) Long-Term Loans and Advances	15	533.72		528.11
(f) Other Non-Current Assets	16	99.89		114.26
			13,424.08	12,648.99
<b>2. Current Assets</b>				
(a) Current Investments	17	9.40		5.50
(b) Inventories	18	2,002.28		2,626.41
(c) Trade Receivables	19	3,483.57		3,426.68
(d) Cash and Bank Balance	20	1,370.52		1,464.26
(e) Short-Term Loans and Advances	21	654.27		472.87
(f) Other Current Assets	22	148.93		178.33
			7,668.97	8,174.05
<b>TOTAL</b>			<b>21,093.05</b>	<b>20,823.04</b>
Notes Forming an Integral Part of Consolidated Financial Statements	1 - 30			

In terms of our report attached

For and on behalf of the Board

Cyrus P. Mistry  
ChairmanDr. Y. S. P. Thorat  
DirectorNusli N. Wadia  
DirectorVibha Paul Rishi  
DirectorFor DELOITTE HASKINS & SELLS LLP  
Chartered AccountantsJohn Mulhall  
Chief Financial OfficerNasser Munjee  
DirectorBhaskar Bhat  
DirectorSanjiv V. Pilgaonkar  
PartnerRajiv Chandan  
General Counsel & Company SecretaryEknath A. Kshirsagar  
DirectorR. Mukundan  
Managing Director

Mumbai, 26th May, 2016

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2016

	Note	₹ in crore	₹ in crore	Previous year ₹ in crore
<b>I. REVENUE</b>				
(a) Revenue From Operations (Gross)	23	18,063.17		17,570.76
(b) Less : Excise Duty		355.03		366.28
(c) Net Revenue From Operations			17,708.14	17,204.48
<b>II. Other Income</b>	24		122.59	117.97
<b>III. Total Revenue (I+II)</b>			<b>17,830.73</b>	<b>17,322.45</b>
<b>IV. EXPENSES</b>				
(a) Cost of Materials Consumed		4,346.59		4,839.80
(b) Purchases of Stock-in-Trade		2,558.94		3,053.04
(c) Changes in Inventories of Work-In-Progress, Finished Goods and Stock-in-Trade	25	456.05		(917.18)
(d) Employee Benefits Expense	26	1,379.35		1,255.77
(e) Finance Costs	27	551.75		460.90
(f) Depreciation and Amortisation Expense	13	464.61		463.14
(g) Other Expenses	28	6,802.04		6,808.76
<b>Total Expenses</b>			<b>16,559.33</b>	<b>15,964.23</b>
<b>V. Profit Before Exceptional Items and Tax (III-IV)</b>			<b>1,271.40</b>	<b>1,358.22</b>
<b>VI. Exceptional Items</b>	29		-	199.71
<b>VII. Profit Before Tax (V-VI)</b>			<b>1,271.40</b>	<b>1,158.51</b>
<b>VIII. Tax Expense</b>				
(a) Current Tax		373.25		350.91
(b) Excess provision for tax relating to earlier years		(11.15)		(1.70)
(c) MAT credit		(3.83)		(2.85)
<b>Current Tax expense (net)</b>		<b>358.27</b>		<b>346.36</b>
(d) Deferred Tax		(66.74)		4.76
			<b>291.53</b>	<b>351.12</b>
<b>IX. Profit After Tax Before Share of Loss in Associate and Minority Interest (VII-VIII)</b>			<b>979.87</b>	<b>807.39</b>
<b>X. Share of Loss in Associate</b>			<b>3.15</b>	<b>5.40</b>
<b>XI. Minority Interest</b>			<b>196.56</b>	<b>205.53</b>
<b>XII. Profit for the year (IX-X-XI)</b>			<b>780.16</b>	<b>596.46</b>
<b>XIII. EARNINGS PER SHARE (₹)</b>	30(i)			
(Face value per share - ₹ 10)				
(a) Basic			<b>30.62</b>	23.41
(b) Diluted			<b>30.62</b>	23.41
Notes Forming an Integral Part of Consolidated Financial Statements	1 - 30			

In terms of our report attached

For and on behalf of the Board

Cyrus P. Mistry  
Chairman

Dr. Y. S. P. Thorat  
Director

Nusli N. Wadia  
Director

Vibha Paul Rishi  
Director

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants

John Mulhall  
Chief Financial Officer

Nasser Munjee  
Director

Bhaskar Bhat  
Director

Sanjiv V. Pilgaonkar  
Partner

Rajiv Chandan  
General Counsel & Company Secretary

Eknath A. Kshirsagar  
Director

R. Mukundan  
Managing Director

Mumbai, 26th May, 2016

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2016

	₹ in crore	Previous year ₹ in crore
<b>A Cash Flow from Operating Activities</b>		
Profit before Tax	1,271.40	1,158.51
Adjustments for :		
Depreciation and amortisation	464.61	463.14
Impairment of assets	-	196.95
Finance costs	551.75	460.90
Interest income	(37.65)	(36.79)
Dividend income	(84.92)	(74.86)
Grants received (net)	-	(0.47)
Profit on sale of investments (net)	(0.02)	(3.37)
Provision for employee benefits	277.76	539.32
Provision for doubtful debts and advances/bad debts written off	26.60	13.55
Provision for contingencies	87.52	50.22
Liabilities no longer required written back	(9.52)	(39.19)
Provision for diminution in value of non-current investments	-	0.11
Foreign exchange loss (net)	81.85	34.26
Loss/(Profit) on assets sold or discarded (net)	5.92	(2.95)
<b>Operating Profit before Working Capital Changes</b>	<b>2,635.30</b>	<b>2,759.33</b>
Adjustments for :		
Trade receivables, loans and advances and other assets	(254.11)	32.64
Inventories	624.13	(928.31)
Trade payables and other liabilities	(999.49)	(228.87)
<b>Cash generated from Operations</b>	<b>2,005.83</b>	<b>1,634.79</b>
Taxes paid (net of refund)	(375.52)	(361.22)
Net Cash generated from Operating Activities	<b>1,630.31</b>	<b>1,273.57</b>
<b>B Cash Flow from Investing Activities</b>		
Acquisition of fixed assets (including capital work-in-progress)	(664.67)	(605.60)
Proceeds on sale of fixed assets	1.02	40.69
Proceeds from sale of other non-current investments	-	3.88
Proceeds on sale of current investments	12,797.38	19,326.64
Purchase of non-current investments	(5.12)	(9.00)
Purchase of current investments	(12,801.26)	(19,324.44)
Bank balances not considered as cash and cash equivalent	186.64	(187.73)
Interest received	39.88	38.33
Dividend received	84.92	74.86
Consideration paid on acquisition/investment in subsidiary	(73.35)	(12.83)
<b>Net Cash used in Investing Activities</b>	<b>(434.56)</b>	<b>(655.20)</b>

	₹ in crore	Previous year ₹ in crore
<b>C Cash Flow from Financing Activities</b>		
Proceeds of borrowings	2,547.16	2,187.68
Repayment of borrowings	(2,585.40)	(2,371.41)
Finance costs paid	(570.24)	(442.96)
Bank balances in dividend and restricted accounts	-	(0.82)
Payment to minority interest	(132.05)	(157.53)
Capital subsidy/grants received	-	0.36
Dividends paid including distribution tax	(388.38)	(302.62)
<b>Net Cash used in Financing Activities</b>	<b>(1,128.91)</b>	<b>(1,087.30)</b>
Net Increase in Cash and cash equivalents	66.84	(468.93)
Cash and cash equivalents as at 1st April	1,258.96	1,735.98
Exchange difference on translation of foreign currency Cash and cash equivalents	26.06	(8.09)
Cash and cash equivalents as at 31st March (as per note 20)	<b>1,351.86</b>	<b>1,258.96</b>
Supplementary disclosure of non cash investing activities		
Payables for purchase of fixed asset	28.51	23.79

Note :

(a) Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's figures.

In terms of our report attached

For and on behalf of the Board

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**Sanjiv V. Pilgaonkar**  
Partner

Mumbai, 26th May, 2016

**John Mulhall**  
Chief Financial Officer

**Rajiv Chandan**  
General Counsel & Company Secretary

**Cyrus P. Mistry**  
Chairman

**Nusli N. Wadia**  
Director

**Nasser Munjee**  
Director

**Eknath A. Kshirsagar**  
Director

**Dr. Y. S. P. Thorat**  
Director

**Vibha Paul Rishi**  
Director

**Bhaskar Bhat**  
Director

**R. Mukundan**  
Managing Director

## NOTES forming part of the Consolidated Financial Statements

### NOTE 1: CORPORATE INFORMATION

Tata Chemicals Limited ("the Company") is a public limited company domiciled in India. Its shares are listed on two stock exchanges in India - the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is engaged in diversified businesses dealing in Inorganic Chemicals, Fertilisers, Other Agri inputs, Consumer and Nutritional solutions business. The Company has a global presence with key subsidiaries in United Kingdom (UK), Kenya and United States of America (US) that are engaged in the manufacture and sale of soda ash, industrial salt and related products.

### NOTE 2: BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Consolidation

The consolidated financial statements relate to Tata Chemicals Limited (the Company), its subsidiary companies, joint ventures and an associate. The Company, its subsidiaries and joint ventures constitute the Group.

#### (a) Basis of Accounting and preparation of the consolidated financial statements:

The consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP"), the Accounting Standards ("AS") as specified under section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 7 of the Companies' (Accounts) Rules 2014. The consolidated financial statements of the Group are prepared under the historical cost convention using the accrual method of accounting. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous year. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the 2013 Act.

#### (b) Use of Estimates:

The preparation of the financial statements, in conformity with Indian GAAP, requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

#### (c) Principles of Consolidation:

The financial statements of the subsidiary companies, joint ventures and associates used in the consolidation are drawn up to the same reporting date as of the Company, i.e. for the year ended 31st March, 2016.

The consolidated financial statements have been prepared on the following basis:

- I The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profit or losses, unless cost cannot be recovered, as per the applicable Accounting Standard in India.
- II Interests in joint ventures have been accounted by using the proportionate consolidation method as per AS 27 Financial Reporting of Interests in Joint Ventures. The intra-group balances and intra-group transactions and unrealised profits or losses are eliminated to the extent of the Group proportionate share.
- III An associate is an enterprise in which the Company has significant influence and which is neither a subsidiary nor a joint venture of the investor. The consolidated financial statements include the share of profit / loss of the associate company which has been accounted as per the 'equity method' as per AS 23 Accounting for Investments in Associates in Consolidated Financial Statements, and accordingly, the share of profit / loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments. The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is recognised in the consolidated financial statements as Goodwill or Capital reserve as the case may be, which is included in the carrying amount of investments.

## NOTES forming part of the Consolidated Financial Statements (contd.)

- IV The excess of the cost to the Company of its investment in subsidiaries and joint ventures over the Company's portion of equity as at the dates on which the investments in subsidiary companies and joint ventures were made is recognised in the consolidated financial statements as "Goodwill on Consolidation". The said goodwill is not amortised and is tested for impairment. Alternatively, where the share of equity in the subsidiary companies / jointly controlled entities as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements.
- V The consolidated financial statements are presented, to the extent applicable, in accordance with the requirements of Schedule III of the 2013 Act as applicable to the Company's separate financial statements. Differences if any, in accounting policies have been disclosed separately.
- VI The operations of the Company's subsidiaries and joint ventures are considered as non-integral operations for the purpose of consolidation.
- VII Minority interest in the net assets of the consolidated subsidiaries consists of:
- The amount of equity attributable to minority shareholders at the date on which the investment in the subsidiary companies were made.
  - The minority's share of movements in equity since the date the parent - subsidiary relationship comes into existence. Minority interest in share of net result for the year is identified and adjusted against the profit after tax of the Group. Excess of loss, if any, attributable to the minority over and above the minority interest in the equity of the subsidiary is absorbed by the Group.

**(d) Particulars of subsidiaries, joint ventures and associate have been considered in the preparation of the consolidated financial statements:**

Name of the Company	Country of Incorporation	Percentage of Voting power as at 31st March, 2016
<b>Subsidiaries</b>		
Rallis India Limited (Rallis)	India	50.06%
Rallis Chemistry Exports Limited	India	100% subsidiary of Rallis
Metahelix Life Sciences Limited#	India	100% subsidiary of Rallis
Zero Waste Agro Organics Limited (ZWAOL)##	India	73.63% holding by Rallis
Valley Holdings Inc.	United States of America	100%
Tata Chemicals North America Inc.	United States of America	100%
General Chemical International Inc.	United States of America	100%
NHO Canada Holdings Inc.	United States of America	100%
Tata Chemicals (Soda Ash) Partners (TCSAP)**	United States of America	75%
Tata Chemicals (Soda Ash) Partners Holdings**(TCSAPH)	United States of America	75%
TCSAP LLC	United States of America	75%
General Chemical Canada Holding Inc.	Canada	100%
Homefield Pvt UK Limited	United Kingdom	100%
Homefield 2 UK Limited	United Kingdom	100%
Tata Chemicals Africa Holdings Limited	United Kingdom	100%
Tata Chemicals Europe Holdings Limited	United Kingdom	100%
Tata Chemicals Europe Limited	United Kingdom	100%
Winnington CHP Limited	United Kingdom	100%

**NOTES** forming part of the Consolidated Financial Statements (contd.)

Name of the Company	Country of Incorporation	Percentage of Voting power as at 31st March, 2016
Brunner Mond Group Limited	United Kingdom	100%
Brunner Mond Limited	United Kingdom	100%
Tata Chemicals Magadi Limited	United Kingdom	100%
Northwich Resource Management Limited	United Kingdom	100%
Brunner Mond Generation Company Limited	United Kingdom	100%
Gusiute Holdings (UK) Limited	United Kingdom	100%
TCNA (UK) Limited	United Kingdom	100%
British Salt Limited	United Kingdom	100%
Cheshire Salt Holdings Limited	United Kingdom	100%
Cheshire Salt Limited	United Kingdom	100%
Brinefield Storage Limited	United Kingdom	100%
Cheshire Cavity Storage 2 Limited	United Kingdom	100%
Cheshire Compressor Limited	United Kingdom	100%
Irish Feeds Limited	United Kingdom	100%
New Cheshire Salt Works Limited	United Kingdom	100%
Bio Energy Venture - 1 (Mauritius) Pvt. Ltd	Mauritius	100%
Grown Energy Zambeze Holdings Pvt. Ltd	Mauritius	100%
Tata Chemicals International Pte. Limited	Singapore	100%
Tata Chemicals (South Africa) Proprietary Limited	South Africa	100%
Grown Energy (Pty) Limited	South Africa	100%
Magadi Railway Company Limited	Kenya	100%
Grown Energy Zambeze Limitada	Mozambique	95%

# Rallis has acquired additional equity shares, consequent to which share has increased to 100% from 80.51% in Metahelix Life Sciences Limited during the year.

## Rallis has acquired additional equity shares, consequent to which share has increased to 73.63% from 73.59% in ZWAOL during the year.

\*\* a general partnership formed under the laws of the State of Delaware (USA).

General Chemical (Great Britain) Limited, a step-down subsidiary ceased to exist with effect from 16th June, 2015.

**Joint Ventures**

Alcad	United States of America	50% is holding by TCSAP
The Block Salt Company Limited	United Kingdom	New Cheshire Salt Works Limited holds 50%
JOil (S) Pte. Ltd. and its subsidiaries	Singapore	33.78%
Indo Maroc Phosphore S. A.	Morocco	33.33%
Natronx Technologies LLC	United States of America	TCSAP holds 33.3%

**Associate**

Crystal Peak Minerals Inc. (formerly EPM Mining Ventures Inc.)	Canada	19.47% (previous year 25.33%)
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**Promotor Group**

Tata Sons Limited	India	
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## NOTES forming part of the Consolidated Financial Statements (contd.)

### (e) **Tangible and Intangible Fixed Assets**

Fixed Assets are carried at original cost net of taxes / duties, credits availed, if any, less accumulated depreciation and accumulated impairment losses, if any. The cost of fixed assets includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets. Borrowing cost and other incidental expenses are added to the cost of those assets until such time as the assets are substantially ready for their intended use which generally coincides with the commissioning date of those assets. Machinery spares whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of asset. Subsequent expenditure relating to the fixed asset is capitalised only if such expenditure results in an increase in the future benefits from such existing asset beyond its previously assessed standard of performance.

Fixed Assets acquired and put to use for projects are capitalised and depreciation thereon is included in the project cost till the project is ready for commissioning.

Fixed Assets held for sale are stated at lower of their net book value and net realisable value and are disclosed separately in the consolidated financial statements. Any expected loss is recognised immediately in the Consolidated Statement of Profit and Loss.

Fixed assets acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash consideration. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident. Fixed assets acquired in exchange for securities of the entity are recorded at the fair market value of the assets or the fair market value of the securities issued, whichever is more clearly evident.

#### **Intangibles assets**

Computer software, patents, Intellectual Property Rights (IPR), trademarks, licenses and other intangibles assets of similar nature are initially recognised at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised using straight line method over their estimated useful lives / period of contractual rights or ten years whichever is lower and are tested for any impairment whenever there is an indication that the intangible asset may be impaired. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Consolidated Statement of Profit and Loss in the year in which the expenditure is incurred. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Consolidated Statement of Profit and Loss.

#### **Biological assets**

Biological assets are recognised when the Group controls the asset as a result of past events, it is probable that future economic benefits associated with the asset will flow to the Group, and the fair value or cost of the asset can be measured reliably.

In cases whereby the fair value of biological assets cannot be estimated reliably, biological assets are measured at their cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, the asset is measured at its fair value less estimated point-of-sale costs.

### (f) **Capital Work-in-Progress and Intangible Assets held under development**

Projects under commissioning and other capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost net of impairment, if any.

### (g) **Depreciation and Amortisation**

(i) Depreciation for the Company and its domestic subsidiaries has been provided as per Section 123 of the 2013 Act on a straight line method basis ("SLM") over the estimated useful lives. Management believes based on a technical evaluation that the revised useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

**NOTES** forming part of the Consolidated Financial Statements (contd.)

Asset	Useful life based on SLM adopted
Leasehold Land*	99 years
Salts works, Reservoirs and Pans	1-30 years
Plant and Machinery	1-60 years
Traction lines, Railway Sidings and Wagons	15 years
Factory Buildings (Works)	5-60 years
Other Buildings	5-60 years
Water Works	15 years
Furniture and Fittings	1-10 years
Office Equipments (Including Computers and Data Processing Equipments)	2-10 years
Vehicles	4-10 years

\*Leasehold land is amortised over the duration of the lease.

- (ii) Depreciation for UK and Kenyan subsidiaries is provided on all tangible fixed assets, other than freehold land at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows

Buildings (including leasehold improvements)**	19-25 years
Plant and Machinery	3-20 years
Mines and Quarries	143 years

\*\* Leasehold improvements is amortised over the term of the lease.

Tangible fixed assets of US subsidiaries are depreciated using the straight line method, using estimated lives which range from 2 to 30 years. Mines and quarries, plant and machinery are depreciated using the units-of-production method. Approximately 5% (previous year 7%) of plant and machinery and 100% (previous year 100%) of mines and quarries are depreciated using the units-of-production method.

**(h) Impairment of Tangible and Intangible Fixed Assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed to determine whether there is any indication that an asset may be impaired. If any indication of such impairment exists, the recoverable amount of such assets / cash generating unit is estimated and in case the carrying amount of these assets exceeds their recoverable amount, an impairment is recognised. The recoverable amount is the higher of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. Assessment is also done at each Balance Sheet date as to whether there is indication that an impairment loss recognised for an asset in prior accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss.

Goodwill is not amortised but is reviewed for impairment. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGU) expected to benefit from the synergies of the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

**(i) Investments**

Long term investments are carried individually at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of such investments. Current investments are carried individually, at lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Consolidated Statement of Profit and Loss.

## NOTES forming part of the Consolidated Financial Statements (contd.)

### (j) Inventories

Inventories are valued at the lower of cost on weighted average basis and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### (k) Revenue Recognition

#### Sale of Goods

Revenue from sale of goods is recognised, net of returns including estimated returns where applicable, and trade discounts, rebates, sales tax and value added tax, when all significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of goods. In respect of Urea, sales are recognised based on provisional rates of group concession as notified under the New Pricing Scheme. Equated freight claims and escalation claims for Urea sales are estimated by the Management based on the norms prescribed or notified under the said Scheme. In case of complex fertilisers, sales include price concession, as notified under the Nutrient Based Subsidy policy, or as estimated by the Management based on the norms prescribed.

#### Income from Services

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Foreseeable losses on such contracts are recognised when probable.

### (l) Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Dividend income is accounted for when the right to receive income is established.

### (m) Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

### (n) Research and Development Expenses

Research expenditure is charged to the Consolidated Statement of Profit and Loss. Development costs of products are also charged to the Consolidated Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. Expenditure on tangible assets used in research and development is capitalised.

### (o) Leases

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis.

### (p) Employee Benefits

#### (A) In respect of the Company and domestic subsidiaries

Employee benefits consist of provident fund, superannuation fund, gratuity fund, compensated absences, long service awards, post retirement medical benefits, director's retirement obligations and family benefit scheme.

#### (i) Post-employment benefit plans

Payments to defined contribution retirement benefit schemes for eligible employees in the form of superannuation fund and provident fund to regional provident commissioner are charged as an expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

## NOTES forming part of the Consolidated Financial Statements (contd.)

For defined benefit schemes in the form of gratuity fund, post retirement medical benefits, directors' pension liabilities and family benefit scheme, the cost of providing benefits is actuarially determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost plus the present value of available refunds and reductions in future contributions to the schemes.

The Company makes contribution towards provident fund, in substance a defined contribution retirement benefit plan. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund. The rules of the Company's provident fund administered by the Trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the fund and the return on the investments, the Company does not expect any deficiency as at the year end.

### (ii) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include compensated absences such as paid annual leave and performance incentives which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

The cost of compensated absences is accounted as under :

- (a) In case of accumulated compensated absences, when employees render service that increase their entitlement of future compensated absences; and
- (b) In case of non - accumulating compensated absence, when the absences occur.

### (iii) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date.

## (B) In respect of overseas subsidiaries and joint ventures, the liabilities for employee benefits are determined and accounted as per the regulations and principles followed in the respective countries.

### (i) Defined contribution schemes

The US subsidiaries sponsors defined contribution retirement savings plans. Participation in one of these plans is available to substantially all represented and non- presented employees. The Company matches employee contributions up to certain predefined limits for non-represented employees based upon eligible compensation and the employee's contribution rate. Contributions are charged as expense as they fall due.

The UK and Kenyan subsidiaries operation defined contribution schemes under which cost are charged to the Consolidated Statement of Profit and Loss on the basis of the contributions payable in the period.

### (ii) Defined benefit schemes

For UK and Kenyan subsidiaries, the cost of providing pension benefits is actuarially determined using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in "Reserves and Surplus" in the period in which they occur. Actuarial gains and losses are not reclassified to the Consolidated Statement of Profit and Loss.

## NOTES forming part of the Consolidated Financial Statements (contd.)

The US subsidiaries use standard actuarial methods and assumptions to account for pension and other post retirement benefit plans. Pension and post retirement benefit obligations are actuarially calculated using best estimates of the rate used to discount the future estimated liability, the long-term rate of return on plan assets, and several assumptions related to the employee workforce (compensation increases, health care cost trend rates, expected service period, retirement age and mortality). Pension and post retirement benefit expense includes the actuarially computed cost of benefits earned during the current service period, the interest cost on accrued obligations, the expected return on plan assets based on fair market value and the straight-line amortisation of net actuarial gains and losses and adjustments due to plan amendments, curtailments and settlements. Net actuarial gains and losses accumulated in "Reserves and Surplus" are amortised over the future service life of the employees.

### (q) Employee Separation Compensation

- (i) Compensation payable to employees who have opted for retirement under "Early Separation Scheme" is amortised over the period for which benefit is expected. The liability has been calculated on the basis of net present value of the future payments of pension.
- (ii) Compensation paid / payable to employees who have opted for retirement under Voluntary Retirement Scheme including ex-gratia is charged to Consolidated Statement of Profit and Loss in the year of separation.

### (r) Borrowing Costs

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of fixed assets which necessarily take a substantial period of time to get ready for their intended use is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. Fees and other transaction costs incurred on origination of the loan are amortised over the tenure of the loan on a straight-line basis. All other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

### (s) Foreign Currency Transactions and Translation (other than Derivative contracts)

On initial recognition, all foreign currency transactions are converted and recorded at exchange rates prevailing on the date of the transaction. As at the reporting date, foreign currency monetary assets and liabilities are translated at the exchange rate prevailing on the Balance Sheet date and the exchange gains or losses are recognised in the Consolidated Statement of Profit and Loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Exchange difference arising on a monetary item that, in substance, forms part of the Group's net investments in a non-integral foreign operation are accumulated in a Foreign Currency Translation Reserve until disposal / recovery of the net investment. For the purpose of consolidation, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. The net impact of such change is accumulated under foreign currency translation reserve.

### (t) Derivative Contracts

The Group enters into derivative contracts in the nature of full currency swaps, currency options, forward contracts with an intention to hedge firm commitments and highly probable transactions. Premium / discount on forward exchange contracts, related to monetary items which are not intended for trading or speculation purposes, are amortised over the period of the contract.

In case of certain, derivative contracts with critical terms matching that of the underlying hedged item (foreign currency loan) are accounted as per the policy stated for foreign currency transaction and translation resulting in the foreign currency loan being treated as Indian rupee loan. All other contracts are marked-to-market and gains/losses are recognised in the Consolidated Statement of Profit and Loss.

### (u) Government Grants

Government grants and subsidies are recognised when there is reasonable assurance that the entity in the Group will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised over the life of the depreciable assets by way of a reduced depreciation charge. Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs which they are intended to compensate on a systematic basis.

## NOTES forming part of the Consolidated Financial Statements (contd.)

### (v) Segment Reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation. The operating segments are the segments for which separate financial information is available and for which operating profit/(loss) amounts are evaluated regularly by the Executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in conformity with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

### (w) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period.

Current Tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961, except for the overseas subsidiaries and joint ventures where current tax provision is determined based on the local tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred Tax Assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Other Deferred Tax Assets are recognised if there is reasonable certainty that there will be sufficient future taxable income to realise such assets. Deferred tax assets recognised are carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

### (x) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. A contingent asset is neither recognised nor disclosed in the consolidated financial statements.

### (y) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

### (z) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## NOTES forming part of the Consolidated Financial Statements (contd.)

	Number of shares		As at 31-Mar-2015	
		₹ in crore	Number of shares	₹ in crore
<b>NOTE 3 : SHARE CAPITAL</b>				
<b>1. Authorised:</b>				
Ordinary shares of ₹ 10 each	27,00,00,000	270.00	27,00,00,000	270.00
<b>2 Issued:</b>				
Ordinary shares of ₹ 10 each	25,48,42,598	254.84	25,48,42,598	254.84
<b>3 Subscribed and fully paid up:</b>				
Ordinary shares of ₹ 10 each	25,47,56,278	254.76	25,47,56,278	254.76
<b>4. Forfeited shares:</b>				
Amount originally paid-up on forfeited shares	86,320	0.06	86,320	0.06
		254.82		254.82

**Footnotes:**

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

	Number of shares		As at 31-Mar-2015	
		₹ in crore	Number of shares	₹ in crore
<b>Issued share capital:</b>				
Ordinary shares :				
At the beginning of the year	25,48,42,598	254.84	25,48,42,598	254.84
<b>Outstanding at the end of the year</b>	<b>25,48,42,598</b>	<b>254.84</b>	<b>25,48,42,598</b>	<b>254.84</b>
<b>Subscribed and paid up:</b>				
Ordinary shares :				
At the beginning of the year	25,47,56,278	254.76	25,47,56,278	254.76
<b>Outstanding at the end of the year</b>	<b>25,47,56,278</b>	<b>254.76</b>	<b>25,47,56,278</b>	<b>254.76</b>

(b) The Company has issued one class of ordinary shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential accounts, in proportion to their shareholding.

(c) Details of shares held by each shareholder holding more than 5 % of shares :

	Number of shares		As at 31-Mar-2015	
		% Age	Number of shares	% Age
Ordinary shares with voting rights				
(i) Tata Sons Ltd.	4,93,06,423	19.35	4,93,06,423	19.35
(ii) Tata Investment Corporation Ltd.	1,55,53,501	6.11	1,55,53,501	6.11

**NOTES** forming part of the Consolidated Financial Statements (contd.)

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 4 : RESERVES AND SURPLUS</b>			
<b>1. Capital reserve:</b>			
At the commencement and at the end of the year		0.66	0.66
<b>2. Capital redemption reserve:</b>			
At the commencement and at the end of the year		0.10	0.10
<b>3. Securities premium:</b>			
At the commencement and at the end of the year		1,258.89	1,258.89
<b>4. Debenture redemption reserve:</b>			
At the commencement and at the end of the year		240.00	240.00
<b>5. Foreign currency translation reserve (FCTR):</b>			
At the commencement of the year	1,375.24		1,259.60
Add : Net adjustments during the year	237.20		115.64
		1,612.44	1,375.24
<b>6. Surplus on amalgamation:</b>			
At the commencement and at the end of the year		20.07	20.07
<b>7. General reserve:</b>			
At the commencement of the year	1,283.41		1,268.87
Add : Transferred from surplus in the Statement of Profit and Loss	12.60		14.54
		1,296.01	1,283.41
<b>8. Actuarial gains / (losses) (net of tax) (note 30(iv)(C)) :</b>			
At the commencement of the year	(758.02)		(445.83)
(Add)/Less : Net adjustments during the year	64.98		(219.42)
(Add)/Less : Derecognition of Deferred Tax on Actuarial Gains/Losses	-		(124.00)
(Add)/Less : Exchange effect during the year	(31.38)		31.23
		(724.42)	(758.02)
<b>9. Other reserves:</b>			
At the commencement of the year	12.70		12.70
Add : Net adjustments during the year	0.50		-
		13.20	12.70
<b>10. Surplus in statement of profit and loss:</b>			
At the commencement of the year	1,863.84		1,695.63
(Less) : Depreciation on transition to Schedule II of Companies Act, 2013 (net of deferred tax ₹ Nil (previous year ₹ 11.86 crore) and minority share ₹ Nil (previous year ₹ 1.18 crore))	-		(21.84)
	1,863.84		1,673.79
Add : Profit / (Loss) for the year	780.16		596.46
(Less) :			
(a) Proposed dividend to be distributed to equity shareholders (₹ 10.00 per share, previous year ₹ 12.50 per share)	(254.76)		(318.44)
(b) Tax on proposed dividend	(59.51)		(73.43)
(c) Transfer to general reserve	(12.60)		(14.54)
(d) Transfer to other reserves	(0.50)		-
		2,316.63	1,863.84
		6,033.58	5,296.89

## NOTES forming part of the Consolidated Financial Statements (contd.)

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 5 : LONG - TERM BORROWINGS</b>			
1. Debentures (unsecured) (footnote 'a')		<b>250.00</b>	250.00
2. <b>Term Loans (secured):</b>			
(a) From Banks (footnote 'b')	<b>4,817.44</b>		3,491.60
(b) From others (footnote 'c')	<b>0.80</b>		0.89
		<b>4,818.24</b>	3,492.49
3. Finance lease obligations (secured)		<b>0.22</b>	0.35
4. <b>Term Loans from Banks (unsecured):</b>			
(i) External commercial borrowing (footnote 'd')	<b>1,169.77</b>		1,489.31
(ii) Others (footnote 'e')	<b>498.63</b>		468.51
		<b>1,668.40</b>	1,957.82
5. Other loans and advances (unsecured) (footnote 'f')		<b>6.64</b>	7.59
		<b>6,743.50</b>	<b>5,708.25</b>

**Footnotes:**

- (a) 10% Unsecured Redeemable Non-convertible Debentures of a face value ₹ 10 lakhs each redeemable at par on 2nd July, 2019. Interest is payable annually.
- (b) (i) Debt owed by Tata Chemicals Magadi Limited ('TCML):  
The outstanding loan as at the year end is **₹ 390.90 crore (USD 59 million)** (previous year ₹ 368.56 crore (USD 59 million)). Interest on this loan is payable based on USD LIBOR plus a margin of 1.80%. The loan is repayable in installments commencing 17th July, 2018 and ending 17th July, 2020. This loan is guaranteed by Tata Chemicals Limited.
- (ii) Debt owed by Valley Holdings Inc. ('VHI') Group:  
On 9th August, 2013, VHI entered into a credit agreement with several lenders led by an administrative agent. The credit agreement provides for a USD 340 million credit facility, comprising of a USD 315 million term loan ("Term loan") and a USD 25 million revolving line of credit ("Revolver"). The borrowing under this facility bears interest at either London Interbank Offered Rate ("LIBOR") plus applicable margin or an alternate base rate based upon the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBOR for a one month Interest Period on such day plus 1%. The applicable margin on the Term loan and Revolver is 2.75% per annum on LIBOR borrowings and 1.75% per annum on alternate base rate loans.  
The term loan is secured by a first-priority interest in the VHI's 75% interest in TCSAPH, the VHI's assets, and equity interest in foreign subsidiaries. The VHI's term loan is subject to certain covenants including, but not limited to, certain provisions that restrict the VHI's ability to make capital expenditures. As at 31st March, 2016, the debt outstanding under this agreement was **₹ 1,851.18 crore** (previous year ₹ 1,934.61 crore). Out of the same the amount repayable within one year **₹ 90.20 crore** (previous year ₹ 67.45 crore). Current portion has been disclosed in note 11 within the heading current maturity of long term debts under other current liabilities.
- (iii) Debt owed by Tata Chemicals International Pte. Limited ('TCIPL'):  
TCIPL has loans of **₹ 1,325.10 crore** (previous year ₹ 1,250 crore) (USD 200 million) which are guaranteed by Tata Chemicals Limited and bear effective interest rate of 2.75% and 2.76% and are repayable in December, 2017.
- (iv) Term Loans owed by Rallis India Limited ('Rallis'):  
One of the term loans is secured by first pari passu charge on movable assets funded by the bank and hypothecation of plant and machinery of the cob drying unit at Hyderabad. The balance outstanding as at 31 March, 2016, i.e. **₹ Nil** (₹ 0.33 crore has been grouped under note 11 other current liabilities) repayable in 10 equated monthly installments of **₹ 0.03 crore** and **₹ 3.06 crore** (of which **₹ 1.22 crore** has been grouped under note 11 other current liabilities) repayable in 30 equated monthly installments respectively. For the previous year, the amount outstanding as at the year end under this facility was ₹ 0.72 crore and ₹ 3.67 crore

## NOTES forming part of the Consolidated Financial Statements (contd.)

which was repayable in 22 equated monthly and 36 monthly installments respectively. The current portion amounting to ₹ 0.39 crore and ₹ 0.62 crore has been disclosed in note 11 within the heading current maturity of long term debts under other current liabilities.

The other term loan is secured by a first charge on entire movable fixed assets and agricultural property funded by the bank. The balance outstanding as at 31 March, 2016 is ₹ 2.50 crore (of which ₹ 0.50 crore has been grouped under note 11 other current liabilities) repayable in 20 equated quarterly installments of ₹ 0.13 crore. The balance outstanding for the previous year was ₹ 3.00 crore repayable in 24 equated monthly installments. The current portion amounting to ₹ 0.50 crore has been disclosed in note 11 within the heading current maturity of long term debts under other current liabilities.

(v) Debt owed by Tata Chemicals Europe Holdings Limited ('TCEHL):

The senior debt owed by TCEHL has been refinanced with a syndicate of lenders led by Standard Chartered Bank and Credit Agricole in November 2015 amounting to ₹ 1,145.67 crore (£120 million). Interest is calculated at LIBOR plus 1.99% (previous year 1.6%) under the terms of the loan. During previous year ended the entire loan amounting to ₹ 1,109.64 crore (£120 million) has been disclosed in note 11 within the heading current maturity of long term debts under other current liabilities. The loan is repayable in full in November 2020.

The senior debt owed by Tata Chemicals Europe Limited comprising a revolving credit facility has been refinanced with a syndicate of lenders led by Standard Chartered Bank and Credit Agricole in November 2015. A maximum of £20 million can be drawn down under the facility, of which ₹ 190.95 crore (£20 million) had been drawn down as at 31st March, 2016. Interest on this facility was payable at LIBOR plus 1.99% (previous year 1.6%). During the previous year the entire loan amounting to ₹ 184.94 crore (£20 million) has been disclosed in note 11 within the heading current maturity of long term debts under other current liabilities. The loan is repayable in full in November 2020.

As at 31st March, 2016 the debt facilities available to Tata Chemicals Europe Holdings Limited is secured by fixed and floating charges over the assets of the European sub-group.

(c) Other debt owed by Rallis India Limited ('Rallis):

Term loan from Biotechnology Industry Partnership Project is secured by hypothecation of all equipment, apparatus machineries, machineries spares, tools and other accessories, goods and/or the other movable property of the Company, present and future to a value equivalent to the amount of loan and interest thereon and the royalty payable on grant-in-aid till the full and final settlement of all dues. Term loan is repayable along with interest in 10 equal half yearly installments from December 2015 (Rice) and June, 2017 -(Maize). The balance payable as on 31st March 2016 is DBT rice loan ₹ 0.45 crore (previous year ₹ 0.49 crore) (of which ₹ 0.10 crore (previous year ₹ 0.05 crore) has been disclosed in note 11 within the heading current maturity of long term debts under other current liabilities and balance payable on DBT maize loan is ₹ 0.45 crore (previous year ₹ 0.45 crore).

(d) The external commercial borrowing are due for repayments on 23rd October, 2017 ₹ 389.78 crore (USD 63.27 million), on 22nd October, 2018 ₹ 390.06 crore (USD 63.27 million) and on 21st October, 2019 ₹ 389.93 crore (USD 63.46 million) along with interest at LIBOR + spread of 1.95% payable half yearly. Current portion amounting to ₹ 325.17 crore (USD 60 million) has been disclosed in note 11 within the heading current maturity of long term debts under other current liabilities.

(e) (i) Debt owed by Homefield Pvt UK Limited:

Term Loan: A loan was granted during the previous year ended 31st March, 2015. The amount outstanding was ₹ 298.12 crore (USD 45 million)(previous year ₹ 281.10 crore (USD 45 million)). Interest on this loan is payable based on USD LIBOR plus a margin of 1.50%. The loan is repayable in full in March 2020.

Term Loan: The amounts outstanding were ₹ 185.51 crore (USD 28 million) (previous year ₹ 174.91 crore (USD 28 million)). Interest on this loan is payable based on USD LIBOR plus a margin of 1.80%. The loan is repayable in full in March 2018.

(ii) Debt owed by Rallis India Limited:

A new loan of ₹ 15 crore has been taken during the year ended 31st March, 2016, repayable in 20 quarterly installments. The repayment begins after a moratorium of 24 months from February 2018. The first repayment of ₹ 0.75 crore falls due in May 2018. The other term loan of ₹ 12.50 crore (previous year ₹ 25 crore) is repayable in 4 equal quarterly installments, which entirely (previous year ₹ 12.50 crore) has been disclosed in note 11 within the heading current maturity of long term debts under other current liabilities.

## NOTES forming part of the Consolidated Financial Statements (contd.)

(f) (i) Debt owed by TCL:

The Company has entered into an agreement with Department of Biotechnology (DBT) for a project on boosting crop health and yield. DBT has approved a loan of ₹ 0.15 crore (previous year ₹ 0.15 crore). The Company has received three installments of this loan aggregating to ₹ 0.11 crore (previous year ₹ 0.08 crore). The loan is repayable in 10 equal half yearly installments beginning from 1st July, 2015. Current portion amounting to ₹ 0.02 crore has been disclosed in note 11 within the heading current maturity of long term debts under other current liabilities.

(ii) Debt owed by Rallis India Limited ('Rallis'):

Loan from the Council of Scientific and Industrial Research consists of two loans. ₹ 0.38 crore is repayable in 2 annual installments of ₹ 0.19 crore (of which ₹ 0.19 crore has been grouped under note 11 other current liabilities) and the loan of ₹ 0.59 crore is repayable in 7 annual installments (of which ₹ 0.08 crore has been disclosed in note 11 within the heading current maturity of long term debts under other current liabilities). The Sales tax deferral outstanding as at 31st March, 2016 amounts to ₹ 5.99 crore (previous year ₹ 7.51 crore). Of the amount outstanding ₹ 0.11 crore (previous year ₹ 0.96 crore) including ₹ 0.11 crore (previous year ₹ 0.41 crore) shown as a part of current maturities of long term debt in note 11 in respect of which the applicability of the deferral scheme is disputed by the Sales Tax Authorities and the matter is contested before the Sales Tax Tribunal. The consequential interest claimed by the Sales Tax Authorities is included as a part of the Company's contingent liabilities.

	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 6 : DEFERRED TAXES</b>		
The significant component and classification of deferred tax assets and liabilities on account of timing differences are:		
<b>1. Deferred Tax Assets (net):</b>		
(a) Provision for employee benefits	202.86	160.90
(b) Depreciation	(30.89)	(29.16)
(c) Other timing differences (footnote 'a')	(109.25)	(110.78)
	<b>62.72</b>	<b>20.96</b>
<b>2. Deferred Tax Liability (net):</b>		
(a) Provision for doubtful debts and advances	(31.30)	(24.90)
(b) Provision for employee benefits	(2.11)	(2.75)
(c) Depreciation (including impairment)	322.33	321.16
(d) Other timing differences (footnote 'b')	(84.43)	(66.35)
	<b>204.49</b>	<b>227.16</b>

**Footnotes:**

- (a) Primarily relates to partnership tax basis differences in Tata Chemicals North America Inc. arising from Tata Chemicals (Soda Ash) Partners.  
 (b) Primarily relates to disallowances under 43B of the Income Tax Act, 1961.

	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 7 : OTHER LONG - TERM LIABILITIES</b>		
<b>1. Other Liabilities:</b>		
(a) Pension payable on Employee Separation Scheme	0.41	0.48
(b) Mark-to-market losses on derivatives	11.56	-
(c) Others	17.06	20.68
	<b>29.03</b>	<b>21.16</b>

**NOTES** forming part of the Consolidated Financial Statements (contd.)

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 8 : LONG - TERM PROVISIONS</b>			
<b>1. Provision for employee benefits:</b>			
(a) Provision for directors pension liabilities (note 30 (iv))	<b>30.18</b>		27.52
(b) Domestic pension and other post retirement benefits (note 30 (iv))	<b>76.44</b>		65.83
(c) Overseas pension and other post retirement benefits (note 30 (iv))	<b>1,344.65</b>		1,326.15
(d) Others	<b>4.21</b>		3.69
		<b>1,455.48</b>	1,423.19
<b>2.</b> Provision for site restoration expenditure (note 30(vi))		<b>214.90</b>	225.66
<b>3.</b> Others (note 30(vi))		<b>108.88</b>	90.14
		<b>1,779.26</b>	<b>1,738.99</b>

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 9 : SHORT-TERM BORROWINGS</b>			
<b>1. Loans repayable on demand:</b>			
(a) Secured - From Banks			
(i) Cash credits (footnote 'a')	<b>3.40</b>		10.92
(ii) Working Capital Demand Loan (footnote 'b')	<b>45.48</b>		219.23
		<b>48.88</b>	230.15
(b) Unsecured - From Banks			
(i) Working Capital Demand Loan		<b>10.00</b>	10.00
<b>2. Other loans and advances:</b>			
(a) Secured - From Banks			
(i) Buyer's credit (footnote 'a')	<b>198.12</b>		149.95
(ii) Working Capital Demand Loan(footnote 'c')	<b>166.98</b>		137.50
		<b>365.10</b>	287.45
(b) Unsecured - From Banks			
(i) Buyer's credit		<b>1,096.20</b>	765.59
		<b>1,520.18</b>	<b>1,293.19</b>

**Footnotes :**

- (a) Loans from banks on cash credit and buyer's credit are secured by hypothecation of stocks of raw materials, finished products, stores and work-in-progress as well as book debts.
- (b) (i) Debt owed by Tata Chemicals Limited:  
**₹ Nil** (previous year ₹ 50 crore) Working capital demand loan from bank is secured by hypothecation of stocks of raw materials, finished products, stores and work-in-progress as well as book debts.
- (ii) Debt owed by Tata Chemicals Magadi Limited ("TCML):  
 Outstanding loan of **₹ 6.63 crore (USD 1 million)** (previous year ₹ 27.71 crore (USD 4.45 million)). It is secured overdraft facility against dues receivable from Kenyan Revenue Authority.  
**₹ Nil** (USD Nil) (previous year ₹ 51.62 crore (USD 8.27 million) has been provided as a secured overdraft facility are secured by stock and trade receivables of TCML.

## NOTES forming part of the Consolidated Financial Statements (contd.)

- (iii) Debt owed by Rallis India Limited('Rallis'):  
**₹ 38.58 crore** (previous year ₹ 73.74 crore) These loans have been secured by a first charge by way of hypothecation of current assets. The hypothecation also extends to guarantees issued by the Company's Bankers in the ordinary course of business.
- (iv) Debt owed by Indo Maroc Phosphore S.A.('IMACID'):  
**₹ 0.27 crore** (previous year ₹ 16.16 crore) has been provided as a secured overdraft facility.
- (c) (i) Debt owed by Tata Chemicals International Pte. Limited('TCIPL'):  
**₹ 119.26 crore** (previous year ₹ 137.50 crore) towards Working Capital facility and is repayable within 90 days. Interest is charged at **1.25%** (previous year 1.25%) per annum over US\$ LIBOR. The facility is secured by stocks and trade receivables
- (ii) Debt owed by British Salt Limited('BSL'):  
 During the current year BSL has taken a loan against trade receivable amount to **₹ 47.72 crore (GBP 5 million)** (previous year ₹ Nil (GBP Nil)). The carries an interest rate of LIBOR plus 3% and is repayable in April 2016.

	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 10 : TRADE PAYABLES</b>		
1. Acceptances	268.01	773.01
2. Trade payables other than acceptances	1,408.86	1,865.31
	<b>1,676.87</b>	<b>2,638.32</b>

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 11 : OTHER CURRENT LIABILITIES</b>			
<b>1. Current maturities of Long term debt:</b>			
(i) From Banks - Secured	92.35		1,363.54
(ii) From Banks - Unsecured	12.50		0.05
(iii) From others - Unsecured	325.57		13.67
		<b>430.42</b>	<b>1,377.26</b>
2. Current maturities of Finance Lease obligation		0.15	0.14
3. Interest accrued but not due on borrowings		92.33	99.27
<b>4. Liability towards:</b>			
(a) Unclaimed dividends (footnote 'a')	15.15		13.86
(b) Unclaimed debentures and interest	0.01		0.01
		<b>15.16</b>	<b>13.87</b>
5. Security deposits from customers		59.82	54.98
<b>6. Other payables:</b>			
(a) Advances received from customers	110.98		96.01
(b) Creditors for capital goods	28.51		23.79
(c) Statutory dues payable	173.15		173.16
(d) Accrued marketing incentive	31.83		45.42
(e) Mark-to-market losses on derivatives	117.24		6.57
(f) Others (footnote 'b')	375.34		350.68
		<b>837.05</b>	<b>695.63</b>
		<b>1,434.93</b>	<b>2,241.15</b>

**Footnotes:**

- (a) All amounts that are due, have been transferred to Investor Education and Protection fund except **₹ 0.44 crore** (previous year ₹ 0.33 crore), where in legal disputes are going on.
- (b) Primarily includes accrued expenses and payroll.

**NOTES** forming part of the Consolidated Financial Statements (contd.)

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 12 : SHORT-TERM PROVISIONS</b>			
<b>1. Provision for employee benefits:</b>			
(a) Provision for directors pension liabilities (note 30 (iv))	1.69		1.23
(b) Domestic pension and other post retirement benefits (note 30 (iv))	4.00		3.95
(c) Overseas pension and other post retirement benefits (note 30 (iv))	61.69		37.84
(d) Others	83.55		74.71
		150.93	117.73
<b>2. Others:</b>			
(a) Proposed dividend (footnote 'a')	254.76		318.44
(b) Tax on dividend	51.86		63.58
(c) Provision for current tax (net of advances ₹ 1,282.44 crore (previous year ₹ 1,192.19 crore))	79.31		109.16
(d) Provision for site restoration expenditure (note 30(vi))	15.75		2.94
(e) Others (note 30(vi))	116.77		117.77
		518.45	611.89
		669.38	729.62

**Footnote :**

- (a) The Board of Directors has recommended a dividend of **100%** (previous year 125% including special dividend of 25%) for the financial year 2015-16 amounting to **₹ 10.00 per share** (previous year ₹ 12.50 per share).

# NOTES forming part of the Consolidated Financial Statements (contd.)

## NOTE 13 : FIXED ASSETS

(At cost)	Gross Block			Depreciation / Amortisation			Net Block			
	As at 01-Apr-2015	Additions during the year	Deductions / Adjustments	Exchange Fluctuations	As at 31-Mar-2016	For the year	Deductions / Adjustments	Exchange Fluctuations	Impairment #	As at 31-Mar-2016
<b>(i) Tangible Assets</b>										
<b>1. Land :</b>										
(a) Freehold	164.84	1.34	-	4.27	170.45	-	-	0.30	-	166.49
(b) Leasehold	169.12	6.18	1.13	(9.33)	164.84	-	-	-	3.66	161.18
	<b>312.71</b>	<b>17.45</b>	<b>-</b>	<b>6.63</b>	<b>336.79</b>	<b>-</b>	<b>(0.34)</b>	<b>-</b>	<b>-</b>	<b>233.63</b>
	337.00	43.57	74.62	6.76	312.71	46.85	(11.86)	0.84	16.82	220.83
<b>2. Works</b>										
(a) Saltworks, Reservoirs and Pans	243.43	5.45	-	5.21	254.09	79.93	-	0.52	-	166.04
(b) Plant and Machinery	8,898.88	440.28	69.75	222.83	9,492.24	6,179.55	65.34	167.93	-	2,866.23
(c) Traction Lines, Railway Sidings and Wagons	324.67	0.07	1.54	16.78	339.98	279.95	1.46	15.88	-	39.29
(d) Buildings (including leasehold improvements)	1,077.28	56.52	0.54	27.75	1,161.01	487.70	0.53	15.05	-	619.82
	1,046.00	69.93	16.81	(21.84)	1,077.28	421.53	(41.48)	(13.64)	0.02	589.58
<b>3. Other Buildings</b>	<b>336.56</b>	<b>8.91</b>	<b>-</b>	<b>2.55</b>	<b>348.02</b>	<b>93.19</b>	<b>-</b>	<b>1.98</b>	<b>-</b>	<b>242.39</b>
	295.91	42.35	3.70	2.00	336.56	86.81	9.18	1.17	-	243.37
<b>4. Water Works</b>	<b>7.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.09</b>	<b>6.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.37</b>
	7.36	-	0.27	-	7.09	6.82	0.14	-	-	0.37
<b>5. Furniture, Fittings and Office Equipment</b>	<b>250.46</b>	<b>31.61</b>	<b>8.78</b>	<b>7.00</b>	<b>280.29</b>	<b>176.09</b>	<b>8.08</b>	<b>5.59</b>	<b>-</b>	<b>84.70</b>
	227.82	29.48	4.96	(1.88)	250.46	154.07	(1.48)	(4.80)	3.53	74.37
<b>6. Vehicles</b>	<b>59.54</b>	<b>5.94</b>	<b>3.23</b>	<b>1.77</b>	<b>64.02</b>	<b>44.37</b>	<b>2.85</b>	<b>1.17</b>	<b>-</b>	<b>17.19</b>
	53.90	7.05	1.99	0.58	59.54	40.75	1.54	0.55	0.02	15.17
<b>7. Mines and Quarries</b>	<b>158.82</b>	<b>1.71</b>	<b>0.46</b>	<b>9.56</b>	<b>169.63</b>	<b>19.78</b>	<b>0.46</b>	<b>1.22</b>	<b>-</b>	<b>145.89</b>
	39.31	100.15	(15.14)	4.22	158.82	4.27	(13.84)	0.51	-	139.04
<b>Total Tangible Assets</b>	<b>11,834.28</b>	<b>569.28</b>	<b>84.30</b>	<b>304.35</b>	<b>12,623.61</b>	<b>7,462.82</b>	<b>78.72</b>	<b>209.30</b>	<b>-</b>	<b>4,582.04</b>
	11,123.12	744.90	(160.62)	(194.36)	11,834.28	6,894.03	(233.25)	(133.11)	24.05	4,371.46

# NOTES forming part of the Consolidated Financial Statements (contd.)

## NOTE 13 : FIXED ASSETS

(At cost)	Gross Block			Depreciation / Amortisation			Net Block
	As at 01-Apr-2015	Additions during the year	Deductions/ Adjustments	Exchange Fluctuations	As at 31-Mar-2016	Impairment #	
<b>(ii) Intangible Assets</b>							
1. Goodwill	1.64	-	-	-	1.64	-	1.64
	1.64	-	-	-	1.64	-	1.64
2. Computer Software	99.89	3.92	0.50	3.22	106.53	0.19	6.41
	56.83	0.80	(41.49)	0.77	99.89	(41.49)	9.13
3. Technical knowhow	45.76	9.14	4.97	2.87	52.80	(0.72)	52.80
	42.02	5.23	-	(1.49)	45.76	(0.81)	45.76
4. Seed Development cost	28.39	0.73	-	0.01	29.13	0.01	9.07
	28.38	-	-	0.01	28.39	-	7.10
5. Patents (licence fees)	0.09	-	-	-	0.09	-	0.06
	0.09	-	-	-	0.09	-	0.06
<b>Total Intangible Assets</b>	<b>175.77</b>	<b>13.79</b>	<b>5.47</b>	<b>6.10</b>	<b>190.19</b>	<b>0.19</b>	<b>26.53</b>
	128.96	6.03	(41.49)	(0.71)	175.77	(41.49)	30.48
<b>(iii) Capital Work-in-Progress</b>							<b>257.45</b>
<b>(iv) Intangible Assets Under Development</b>							169.69
<b>Total Fixed Assets</b>							<b>4,892.48</b>
							<b>4,591.25</b>

### Footnotes :

- Gross book value and accumulated depreciation above include ₹ 13.30 crore (previous year ₹ 13.83 crore) and ₹ 5.45 crore (previous year ₹ 5.20 crore) respectively for assets held for sale. The assets held for sale have been valued at lower of carrying value or net realisable value.
- Capital work-in-progress above includes ₹ Nil (previous year ₹ 205.29 crore) for which impairment has been provided during the year.
- The Group had reassessed the useful lives of its fixed assets during the year ended 31st March, 2015. As a result of the change, the charge on account of depreciation for the year ended 31st March, 2015 was higher by ₹ 27.41 crore. In case of assets whose useful lives have ended, the carrying values as at 1st April, 2014 amounting to ₹ 21.84 crore (net of deferred tax ₹ 11.86 crore and minority interest ₹ 1.18 crore) have been adjusted against the opening reserves as on 1st April, 2014 pursuant to the provisions of Schedule II to the Companies Act, 2013.
- (#) primarily relating to the Chemical and Bio Fuel overseas business. (note 29(b)).
- Other buildings includes cost of residential flats aggregating ₹ 1.82 crore (previous year ₹ 1.82 crore) for which legal formalities relating to transfer of title are pending.
- Assets held under finance lease includes Plant and Machinery ₹ 8.53 crore (previous year ₹ 9.20 crore) and office equipment ₹ 0.21 crore (previous year ₹ 0.28 crore).
- Borrowing cost capitalised of ₹ \* crore (previous year ₹ 0.29 crore) is included in the additions made during the year
- The figures in light print are for the previous year.

# NOTES forming part of the Consolidated Financial Statements (contd.)

		As at 31 March, 2016				As at 31 March, 2015					
		Face Value	Holdings As at	Quoted	Unquoted	Total	Face Value	Holdings As at	Quoted	Unquoted	Total
		₹ 31-Mar-2016	₹ in crore	₹ in crore	₹ in crore	₹ 31-Mar-2015	₹ in crore	₹ in crore	₹ in crore		
<b>NOTE 14 : NON-CURRENT INVESTMENTS</b>											
<b>Investments (At cost) :</b>											
<b>Other Investments in</b>											
<b>(a) Investments in equity instruments (fully paid up) - Quoted</b>											
The Indian Hotels Co. Ltd.	₹	1	89,07,790	18.82	-	18.82	1	72,71,666	9.82	-	9.82
Oriental Hotels Ltd.	₹	1	25,23,000	2.79	-	2.79	1	25,23,000	2.79	-	2.79
Tata Investment Corporation Ltd.	₹	10	4,75,840	6.83	-	6.83	10	4,75,840	6.83	-	6.83
Tata Steel Ltd.	₹	10	24,91,977	58.16	-	58.16	10	24,91,977	58.16	-	58.16
Tata Motors Ltd.	₹	2	19,66,294	12.50	-	12.50	2	18,63,705	7.89	-	7.89
Tata Global Beverages Ltd.	₹	1	4,31,75,140	16.09	-	16.09	1	4,31,75,140	16.09	-	16.09
Titan Company Ltd.	₹	1	1,38,26,180	10.31	-	10.31	1	1,38,26,180	10.31	-	10.31
				125.50	-	125.50			111.89	-	111.89
<b>(b) Investment in associate - Quoted (note 30(ix))</b>											
Crystal Peak Minerals Inc. (formerly EPM Mining Ventures Inc.)	CAD\$	No par value	2,90,55,612	206.18	-	206.18	2,90,55,612	207.74	-	207.74	
<b>(c) Investments in equity instruments (fully paid up) - Unquoted</b>											
The Associated Building Co. Ltd.	₹	900	550	-	0.02	0.02	900	550	-	0.02	0.02
Taj Air Ltd.	₹	10	40,00,000	-	4.00	4.00	10	40,00,000	-	4.00	4.00
Tata Industries Ltd.	₹	100	98,61,303	-	170.19	170.19	100	98,61,303	-	170.19	170.19
Tata Capital Ltd.	₹	10	32,30,859	-	4.85	4.85	10	32,30,859	-	4.85	4.85
Tata International Ltd.	₹	1,000	48,000	-	27.34	27.34	1,000	48,000	-	27.34	27.34
Tata Projects Ltd.	₹	100	1,93,500	-	0.38	0.38	100	1,93,500	-	0.38	0.38
Tata Services Ltd.	₹	1,000	1,260	-	0.13	0.13	1,000	1,260	-	0.13	0.13
Tata Sons Ltd.	₹	1,000	10,237	-	56.86	56.86	1,000	10,237	-	56.86	56.86
Tata Teleservices Ltd. #	₹	10	12,85,110	-	3.11	3.11	10	12,85,110	-	3.11	3.11
IFCI Venture Capital Funds Ltd.	₹	10	2,50,000	-	0.25	0.25	10	2,50,000	-	0.25	0.25
Kowa Spinning Ltd.	₹	10	60,000	-	*	*	10	60,000	-	*	*
Aich Aar Chemicals Pvt. Ltd.	₹	10	1,24,002	-	0.09	0.09	10	1,24,002	-	0.09	0.09
Biotech Consortium India Ltd.	₹	10	50,000	-	0.05	0.05	10	50,000	-	0.05	0.05
Indian Potash Ltd.	₹	10	54,000	-	0.01	0.01	10	54,000	-	0.01	0.01
Bharuch Enviro Infrastructure Ltd.	₹	10	36,750	-	0.04	0.04	10	36,750	-	0.04	0.04
Bharuch Eco-Acqua Infrastructure Ltd.	₹	10	3,00,364	-	0.30	0.30	10	3,00,364	-	0.30	0.30
Patancheru Enviro-Tech Ltd.	₹	10	10,822	-	0.01	0.01	10	10,822	-	0.01	0.01
Advinus Therapeutics Pvt. Ltd.	₹	10	1,82,86,000	-	18.29	18.29	10	1,82,86,000	-	18.29	18.29
Amba Trading Company Limited	₹	10	1,30,000	-	0.53	0.53	10	1,30,000	-	0.53	0.53
Caps Rallis (Private) Ltd. (Nominal value of Zim. \$ 2 each)			21,00,000	-	1.46	1.46	21,00,000	-	1.46	1.46	
				-	287.91	287.91		-	287.91	287.91	
<b>(d) Investments in Compulsorily Convertible Debentures (fully paid up)</b>											
Tata Power Renewable Energy Limited	₹	10	28,90,000	-	2.89	2.89	10	28,90,000	-	2.89	2.89
The Indian Hotels Co. Ltd.	₹		-	-	-	-	10	16,36,124	9.00	-	9.00
				-	2.89	2.89		9.00	2.89	11.89	
<b>(e) Investments in Section 8 Company (fully paid up)</b>											
Global Innovation and Technology Alliance (GITA)	₹		10,000	-	1.00	1.00		5,000	-	0.50	0.50
Water Quality India Association	₹		7,100	-	0.01	0.01		-	-	-	-
<b>Total</b>				331.68	291.81	623.49		328.63	291.30	619.93	
Less: Provision for diminution in value of investments				180.31	2.20	182.51		180.31	2.20	182.51	
<b>Total</b>				151.37	289.61	440.98		148.32	289.10	437.42	
Aggregate of Quoted Investments (net of provision)						151.37				148.32	
Aggregate market value of listed and quoted investments						1,303.83				1,500.30	
Aggregate amount of unquoted investments (net of provision)						289.61				289.10	

# Shares can be transferred only with the prior approval of the Board of Directors of Tata Teleservices Ltd.

\* value below ₹ 50,000/-

Abbreviations for Currencies :

₹ : Indian Rupees

CAD\$ : Canadian Dollars

**NOTES** forming part of the Consolidated Financial Statements (contd.)

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 15 : LONG-TERM LOANS AND ADVANCES</b>			
<b>1. Unsecured - Considered Good:</b>			
(a) Capital advances	6.40		13.07
(b) Deposits (with Government, public bodies and others)	53.69		27.63
(c) Loans and advances to Employees	3.16		2.56
(d) Loans to others (footnote 'a')	-		7.61
(e) Advances recoverable in cash/kind	10.37		22.25
(f) MAT credit entitlement	8.59		4.76
(g) Advance payment of taxes (net of provision ₹ 1,893.25 crore (previous year ₹ 1,766.25 crore))	451.51		450.23
		533.72	528.11
<b>2. Doubtful:</b>			
(a) Advances recoverable in cash/kind	2.66		0.56
Less : Provision for advances recoverable in cash/kind	2.66		0.56
		-	-
		533.72	528.11

**Footnote:**

- (a) The Company has extended an unsecured subordinate loan to Tata Power Renewable Energy Limited (TPREL) for the purpose of setting up a 25 MW photovoltaic solar power plant and associate infrastructure at Mithapur, Gujarat. The loan carries an interest rate based on State Bank of India base rate plus 1.25%. During the year TPREL has repaid the entire loan along with the accrued interest.

	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 16 : OTHER NON-CURRENT ASSETS</b>		
1. Unamortised cost of borrowings	84.05	72.42
2. Fixed Deposit with original maturity of more than one year	0.26	0.26
3. Gratuity Fund	-	1.97
4. Others	15.58	39.61
	99.89	114.26

	As at 31 March, 2016			As at 31 March, 2015		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore	₹ in crore
<b>NOTE 17 : CURRENT INVESTMENTS</b>						
<b>Current Investments (At lower of cost and fair value)</b>						
<b>Investments in Mutual Funds -Unquoted:</b>						
HDFC Cash Management Fund	-	9.40	9.40	-	5.50	5.50
<b>Total</b>	-	9.40	9.40	-	5.50	5.50
<b>Aggregate amount of unquoted investments</b>			9.40			5.50

## NOTES forming part of the Consolidated Financial Statements (contd.)

	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 18 : INVENTORIES</b>		
1. Raw materials	600.36	787.62
2. Work-in-progress	137.95	101.98
3. Finished goods	646.58	646.84
4. Stock-in-trade (acquired for trading)	322.15	770.59
5. Stores and spare parts, packing materials	295.24	319.38
	<b>2,002.28</b>	<b>2,626.41</b>
<b>Inventories include goods in transit:</b>		
(a) Raw materials	78.16	215.79
(b) Stock in trade (acquired for trading)	12.74	276.28
(c) Stores and spares	1.03	1.59

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 19 : TRADE RECEIVABLES</b>			
<b>1. Over six months old from due date:</b>			
(a) Secured, considered good	0.94		0.45
(b) Unsecured, considered good	487.50		582.42
(c) Unsecured, considered doubtful	49.88		38.83
	<b>538.32</b>		<b>621.70</b>
(d) Less : Provision for doubtful debts	49.88		38.83
		<b>488.44</b>	<b>582.87</b>
<b>2. Others:</b>			
(a) Secured, considered good	55.59		47.18
(b) Unsecured, considered good	2,939.54		2,796.63
(c) Unsecured, considered doubtful	12.75		-
	<b>3,007.88</b>		<b>2,843.81</b>
(d) Less : Provision for doubtful debts	12.75		-
		<b>2,995.13</b>	<b>2,843.81</b>
<b>Total</b>		<b>3,483.57</b>	<b>3,426.68</b>

**Footnote:**

- (a) Trade receivables include ₹ 1,901.33 crore (previous year ₹ 1,971.64 crore) on account of subsidy receivable from the Government. Of this an amount of ₹ 470.44 crore (previous year ₹ 546.83 crore) is due for more than six months.

**NOTES** forming part of the Consolidated Financial Statements (contd.)

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 20 : CASH AND BANK BALANCE</b>			
<b>1. Cash and cash equivalents:</b>			
Balances with banks in			
(a) Current accounts	269.72		345.99
(b) Deposit accounts (with original maturity less than 3 months)	1,081.38		911.44
		1,351.10	1,257.43
Cheques, drafts on hand		0.51	0.82
Cash on hand		0.25	0.71
		1,351.86	1,258.96
<b>2. Other bank Balances:</b>			
(a) Earmarked balance with banks		18.14	13.82
(b) Fixed deposits with maturity over 3 months but less than 12 months		0.52	191.48
		1,370.52	1,464.26

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 21 : SHORT-TERM LOANS AND ADVANCES</b>			
<b>1. Unsecured, considered good:</b>			
(a) Deposits with Government, public bodies and others		155.79	163.20
(b) Advance payment of taxes (net of provision)		6.07	23.78
(c) Advances to suppliers		341.77	177.09
(d) Advances to employees (footnote 'a')		5.18	6.13
(e) Other advances			
(i) Considered good	145.46		102.67
(ii) Considered doubtful	39.04		39.04
	184.50		141.71
(iii) Less: Provision for doubtful advances	39.04		39.04
		145.46	102.67
		654.27	472.87

**Footnote:**

(a) Advances to employees include ₹ \* (previous year ₹ \*) due from officer of the Company. Maximum balance outstanding during the year ₹ \* (previous year ₹ 0.01 crore).

\* value below ₹ 50,000

	₹ in crore	₹ in crore	As at 31-Mar-2015 ₹ in crore
<b>NOTE 22 : OTHER CURRENT ASSETS</b>			
1. Income accrued on investments		2.06	4.29
2. Claims receivable		0.29	0.76
3. Unamortised cost of borrowings		11.50	11.58
4. Others (footnote 'a')		135.08	161.70
		148.93	178.33

**Footnote:**

(a) Primarily comprises other receivables towards freight incentives for United States and Canadian operations and mark to market gain on forward contracts / options premium.

## NOTES forming part of the Consolidated Financial Statements (contd.)

	₹ in crore	₹ in crore	Previous year ₹ in crore
<b>NOTE 23 : REVENUE FROM OPERATIONS</b>			
<b>1. Sales :</b>			
(a) Sales (footnote 'a')		<b>17,892.12</b>	17,278.84
<b>2. Operating income:</b>			
(a) Town income	<b>3.89</b>		2.48
(b) Liabilities no longer required - written back	<b>9.52</b>		39.19
(c) Insurance claims	<b>5.96</b>		8.52
(d) Miscellaneous income (footnote 'b')	<b>151.68</b>		241.73
		<b>171.05</b>	291.92
		<b>18,063.17</b>	<b>17,570.76</b>

**Footnotes:**

- (a) Sales include subsidy income of ₹ **2,977.41 crore** (previous year ₹ 2,942.24 crore).
- (b) Miscellaneous income primarily includes compensation of ₹ **49.37 crore** (previous year ₹ 114.97 crore) from settlement of long term contracts, market development and support fees of ₹ **16.53 crore** (previous year ₹ 33.18 crore) and sales of scrap of ₹ **43.87 crore** (previous year ₹ 20.19 crore).

	₹ in crore	₹ in crore	Previous year ₹ in crore
<b>NOTE 24 : OTHER INCOME</b>			
<b>1. Dividend income:</b>			
(a) Current investments	<b>39.22</b>		48.79
(b) Long-term trade investments	<b>45.70</b>		26.07
		<b>84.92</b>	74.86
<b>2. Interest income:</b>			
(a) Current investments	<b>5.38</b>		3.50
(b) Bank deposits	<b>7.44</b>		14.45
(c) Other loans and advances	<b>7.96</b>		1.57
(d) Refund of taxes	<b>16.87</b>		17.27
		<b>37.65</b>	36.79
<b>3. Net gain on sale of investments:</b>			
(a) Current investments	<b>0.02</b>		1.27
(b) Long-term investments	<b>-</b>		2.10
		<b>0.02</b>	3.37
<b>4. Profit on sale of fixed assets (net)</b>		<b>-</b>	2.95
		<b>122.59</b>	<b>117.97</b>

**NOTES** forming part of the Consolidated Financial Statements (contd.)

	₹ in crore	₹ in crore	Previous year ₹ in crore
<b>NOTE 25 : CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS AND STOCK-IN-TRADE</b>			
<b>Opening stock:</b>			
Work-in-progress	101.98		91.50
Finished goods	646.84		384.57
Stock-in-trade (acquired for trading)	770.59		176.03
		1,519.41	652.10
<b>Closing Stock:</b>			
Work-in-progress	137.95		101.98
Finished goods	646.58		646.84
Stock-in-trade (acquired for trading)	322.15		770.59
		1,106.68	1,519.41
<b>(Gain)/loss on exchange translation</b>		43.32	(49.87)
<b>Net increase/(decrease)</b>		456.05	(917.18)

	₹ in crore	Previous year ₹ in crore
<b>NOTE 26 : EMPLOYEE BENEFITS EXPENSE</b>		
1. Salaries, wages and bonus	1,029.96	960.87
2. Contribution to provident and other funds	156.30	112.58
3. Contribution to group insurance scheme	0.28	0.03
4. Workmen and staff welfare expenditure	192.81	182.29
	1,379.35	1,255.77

	₹ in crore	₹ in crore	Previous year ₹ in crore
<b>NOTE 27 : FINANCE COSTS</b>			
<b>1. Interest expenses:</b>			
(a) Long-term borrowings	379.75		370.22
(b) Others	57.77		50.46
		437.52	420.68
2. Discounting and other charges		114.23	40.22
		551.75	460.90

## NOTES forming part of the Consolidated Financial Statements (contd.)

	₹ in crore	Previous year ₹ in crore
<b>NOTE 28 : OTHER EXPENSES</b>		
1. Stores and spare parts consumed	267.11	276.53
2. Packing materials consumed	438.95	451.11
3. Power and fuel	1,764.97	2,040.57
4. Repairs - Buildings	10.46	11.06
- Machinery	463.14	392.38
- Others	7.41	4.96
5. Rent	218.09	173.58
6. Royalty, rates and taxes	286.50	271.23
7. Excise duty adjustment for stocks	2.88	8.99
8. Commission and distributors' service charges/ discount	182.42	138.51
9. Sales promotion expenses	313.37	293.56
10. Insurance charges	42.89	43.44
11. Freight and forwarding charges	1,982.94	1,911.07
12. Provision for doubtful debts, bad debts written off and advances (net)	26.60	13.55
13. Loss on assets sold or discarded	5.92	-
14. Foreign exchange (gain)/loss (net)	156.25	196.33
15. Directors' fees / commission	12.12	12.31
16. Other expenses (footnote 'a')	620.02	569.58
	<b>6,802.04</b>	<b>6,808.76</b>

**Footnote:**

	₹ in crore	Previous year ₹ in crore
(a) Other expenses includes: Expenditure incurred on scientific research and development activities @		
(i) Revenue expenditure (note 26 and 28 of Consolidated Statement of Profit and Loss includes)		
(a) Innovation Centre, Pune	28.51	20.94
(b) Centre for agri-solutions and technology, Aligarh	1.72	1.64
(c) Mithapur, Okhalamandal	0.39	0.53
(d) Domestic subsidiary	28.67	25.42
(ii) Capital expenditure (note 13 of Consolidated Balance Sheet includes)		
(a) Innovation Centre, Pune	8.31	43.80
(b) Centre for agri-solutions and technology, Aligarh	-	0.14
(c) Mithapur, Okhalamandal	0.04	7.18
(d) Domestic subsidiary	16.64	10.98

@ The above figures are based on the separate accounts for the research and development (R&D) centres recognised by the Department of Scientific and Industrial Research, Ministry of Science and Technology (DSIR) for in-house research.

## NOTES forming part of the Consolidated Financial Statements (contd.)

	₹ in crore	Previous year ₹ in crore
<b>NOTE 29 : EXCEPTIONAL ITEMS</b>		
1. Compensation on voluntary retirement (footnote 'a')	-	64.14
2. Impairment of assets (footnote 'b')	-	196.95
3. Compensation received on termination of a supply contract	-	(61.38)
	-	<b>199.71</b>

### Footnotes :

- (a) Compensation on voluntary retirement, for the year ended 31st March, 2015, amounting to ₹ 64.14 crore, was on account of redundancies consequent to the decision to scale down operations at Kenya.
- (b) For the year ended 31st March, 2015, the Group had recognised a non-cash write down of goodwill of ₹ 8.52 crore and other assets (including capital work-in-progress and commitments in respect thereof) aggregating to ₹ 188.43 crore primarily relating to the Chemical and Bio Fuel overseas business.

		2015-16	2014-15
<b>NOTE 30 :</b>			
<b>(i) Earnings Per Share (EPS):</b>			
<b>Basic and Diluted</b>			
(a) Profit for the year	₹ in crore	<b>780.16</b>	596.46
(b) The weighted average number of equity shares of ₹ 10 each			
Total number of shares	Nos.	<b>25,47,56,278</b>	25,47,56,278
(c) Earning per share (face value per share ₹ 10)	₹	<b>30.62</b>	23.41

### (ii) Segment Information :

#### (a) Information about Primary Business Segments

	(₹ in crore)											
	Inorganic Chemicals		Fertilisers		Other Agri Inputs		Others		Unallocable/ Elimination		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Revenue (Net of Excise):</b>												
External	8,390.39	8,198.36	6,848.57	6,578.73	2,001.40	2,140.29	466.92	286.15	0.86	0.95	17,708.14	17,204.48
Inter-segment	157.23	167.25	-	-	-	-	-	-	(157.23)	(167.25)	-	-
<b>Total Revenue</b>	<b>8,547.62</b>	<b>8,365.61</b>	<b>6,848.57</b>	<b>6,578.73</b>	<b>2,001.40</b>	<b>2,140.29</b>	<b>466.92</b>	<b>286.15</b>	<b>(156.37)</b>	<b>(166.30)</b>	<b>17,708.14</b>	<b>17,204.48</b>
<b>Result :</b>												
Segment result	1,543.38	1,274.15	245.78	306.56	226.00	269.63	(64.30)	(144.17)	-	-	1,950.86	1,706.17
Unallocated expenditure net of unallocated income											127.71	86.76
Finance costs											551.75	460.90
<b>Profit before Tax</b>											<b>1,271.40</b>	<b>1,158.51</b>
Tax expense											(291.53)	(351.12)
<b>Profit after tax before minority interest and share of loss in associate</b>											<b>979.87</b>	<b>807.39</b>
Share of loss in associate											(3.15)	(5.40)
Minority Interest											(196.56)	(205.53)
<b>Profit for the year</b>											<b>780.16</b>	<b>596.46</b>

# NOTES forming part of the Consolidated Financial Statements (contd.)

**Other Information :**

	(₹ in crore)											
	Inorganic Chemicals		Fertilisers		Other Agri Inputs		Others		Unallocated		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Segment assets	12,480.91	11,866.24	3,938.39	4,488.76	1,755.86	1,689.92	352.76	181.92	2,565.13	2,596.20	21,093.05	20,823.04
Segment liabilities	3,236.82	3,166.80	751.36	1,631.89	440.06	435.75	74.83	49.53	9,554.57	9,313.87	14,057.64	14,597.84
Capital expenditure	500.25	452.13	72.48	47.28	77.30	57.12	5.59	15.04	20.44	21.87	676.06	593.44
Depreciation and amortisation	331.96	319.06	71.18	72.93	44.59	49.58	3.19	11.57	13.69	10.00	464.61	463.14
Impairment of assets	-	121.74	-	-	-	-	-	75.21	-	-	-	196.95
Provision for diminution in the value of investments	-	-	-	-	-	-	-	-	-	0.11	-	0.11
Other non-cash expenses	323.93	564.73	38.06	72.30	8.47	12.05	16.37	16.86	92.82	(28.59)	479.65	637.35

**(b) Information about Secondary Geographical Segments**

	(₹ in crore)											
	Asia		Europe		Africa		America		Others		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
External revenue	12,626.77	12,180.92	1,663.06	1,688.65	365.96	684.46	2,550.04	2,619.50	502.31	30.95	17,708.14	17,204.48
Segment assets	9,522.53	9,638.33	1,793.09	2,187.35	693.94	393.10	9,004.70	8,585.01	78.79	19.25	21,093.05	20,823.04
Capital expenditure	324.73	222.46	92.08	129.79	41.30	17.89	217.95	223.30	-	-	676.06	593.44

**(c) Notes:**

(i) Management has identified three reportable business segments, namely :

- Inorganic Chemicals: Comprising soda ash, marine chemicals, caustic soda, cement, bulk chemicals and salt.
- Fertilisers: Comprising fertilisers including urea and phosphatic.
- Other agri Inputs: Comprising traded seeds, pesticides, speciality crop nutrients
- Others: Comprising pulses, spices, water purifiers and nutritional solutions.

Segments have been identified and reported taking into account the nature of products, the integration of manufacturing processes, the organisation structure and the internal financial reporting systems.

(ii) The Geographical Segments Revenue are disclosed on the basis of sales as follows :

- Asia: Comprising sales to customers located in Asia.
- Europe: Comprising sales to customers located in Europe.
- Africa: Comprising sales to customers located in Africa.
- America: Comprising sales to customers located in America.

(iii) Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

**(iii) Related Party Disclosure**
**(a) Related Parties and their relationship (as defined under AS-18 Related Party Disclosures)**

Joint Ventures	Key Management Personnel	Associate
<b>Direct</b>	Mr. R. Mukundan, Managing Director	Crystal Peak Minerals Inc.
Indo Maroc Phosphore S.A., Morocco	Mr. P. K. Ghose, Executive Director & CFO (upto 30th September, 2015)	(formerly EPM Mining Ventures Inc.)
<b>Indirect</b>	<b>Promoter Group</b>	
Alcad, United State of America	Tata Sons Limited, India	
Joil (S) Pte. Ltd., Singapore		
The Block Salt Company Limited, United Kingdom		
Natronx Technologies LLC, United States of America		

**NOTES** forming part of the Consolidated Financial Statements (contd.)**(b) Transactions with related parties (as defined under AS-18) during the year ended 31st March, 2016 and balances outstanding as at 31st March, 2016**

(₹ in crore)

	Indo Maroc Phosphore S.A.	Alcad	The Block Salt Company Limited	Natronx Technologies LLC	Key Management Personnel	Tata Sons Limited	Total
Purchase of goods (includes stock in transit) - Net	<b>333.68</b>	<b>105.14</b>	<b>3.24</b>	<b>0.27</b>	-	-	<b>442.33</b>
	532.70	90.81	3.81	0.20	-	-	627.52
Dividend received	-	-	-	-	-	<b>24.57</b>	<b>24.57</b>
	-	-	-	-	-	8.19	8.19
Dividend Paid	-	-	-	-	*	<b>61.63</b>	<b>61.63</b>
	-	-	-	-	-	49.30	49.30
Other Services - Income	-	-	-	-	-	<b>0.06</b>	<b>0.06</b>
	-	-	-	-	-	0.11	0.11
Other Services - Expenses	<b>(0.15)</b>	-	-	-	-	<b>36.40</b>	<b>36.25</b>
	*	-	-	-	-	35.51	35.51
Amount payable (in respect of goods purchased and other services)	<b>92.52</b>	<b>17.34</b>	<b>0.36</b>	<b>0.05</b>	-	<b>36.38</b>	<b>146.65</b>
	224.36	16.63	0.23	-	-	35.01	276.23
Amount receivable (including in respect of loans and interest there on)	-	-	-	-	-	-	-
	-	-	-	-	-	0.06	0.06
Maximum amount of loan outstanding during the year	-	-	-	-	*	-	*
	-	-	-	-	0.01	-	0.01
Amount receivable on account of any Management Contracts including for deputation of employees and Others	<b>0.03</b>	-	-	<b>0.27</b>	-	<b>1.03</b>	<b>1.33</b>
	0.05	-	0.54	0.25	-	0.01	0.85
Managerial Remuneration#	-	-	-	-	<b>9.22</b>	-	<b>9.22</b>
	-	-	-	-	10.56	-	10.56

Notes :

- # Managerial remuneration includes salaries and commission to the Managing Director and Whole-time Director
- The figures in light print are for previous year.

**(iv) Employee benefits obligations :****(A) In respect of the Company and domestic subsidiaries**

The Company makes contribution towards provident fund, in substance a defined contribution retirement benefit plan and towards pension and superannuation fund a defined contribution retirement plan for qualifying employees. The provident fund is administered by the Trustees of the Tata Chemicals Limited Provident Fund and the superannuation fund is administered by the Trustees of the Tata Chemicals Limited Superannuation Fund. Under the schemes, the Company is required to contribute a specified percentage of salary to the retirement benefit schemes to fund the benefit.

On account of the above Contribution Plans, a sum of ₹ **20.97 crore** (previous year ₹ 18.79 crore) has been charged to the Consolidated Statement of Profit and Loss.

The Company makes annual contributions to the Tata Chemicals Employees' Gratuity Trust and to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, for funding the defined benefit plans for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement or death while in employment or on

## NOTES forming part of the Consolidated Financial Statements (contd.)

termination of employment. Employees, upon completion of the vesting period, are entitled to a benefit equivalent to either half month, three fourth month and full month salary last drawn for each completed year of service depending upon the completed years of continuous service in case of retirement or death while in employment. In case of termination, the benefit is equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of continuous service.

The Company also provides post retirement medical benefits to eligible employees under which employees at Mithapur who have retired from service of the Company are entitled for free medical facility at the Company hospital during their lifetime. Other employees are entitled to domiciliary treatment exceeding the entitled limits for the treatments covered under the Health Insurance Scheme upto slabs defined in the scheme. The floater mediclaim policy also covers retired employees based on eligibility, for such benefit.

The Company provides pension, housing / house rent allowance and medical benefits to retired Managing and Executive Directors who have completed ten years of continuous service in Tata Group and three years of continuous service as Managing Director/ Executive Director or five years of continuous service as Managing Director/Executive Director. The directors are entitled upto seventy five percent of last drawn salary for life and on death 50% of the pension is payable to the wife for the rest of her life.

Domestic subsidiaries also includes a supplemental pay scheme (a life long pension), an unfunded Scheme, covering certain Executives.

Family benefit scheme is applicable to all permanent employees in management, officers and workmen who have completed one year of continuous service. In case of untimely death of the employee, nominated beneficiary is entitled to an amount equal to the last drawn salary (Basic Salary, DA and FDA) till the normal retirement date of the deceased employee.

The most recent actuarial valuations of plan assets and the present values of the defined benefit obligations were carried out at 31st March, 2016. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

**(B) In respect of overseas subsidiaries and joint ventures, the liabilities for employee benefits are determined and accounted as per the regulations and principles followed in the respective countries.**

**(i) UK and Kenyan subsidiaries**

The Homefield UK Private Limited - Group operates defined contribution schemes, under which costs of ₹ 7.67 crore (previous year ₹ 9.22 crore) are charged to the Consolidated Statement of Profit and Loss account on the basis of contributions payable. The Group also operates defined benefit schemes, the assets of which are held in separate trustee administered funds.

**Defined benefit scheme - Tata Chemicals Europe Limited**

The Company operates defined benefit pension arrangements in the UK, which were available to substantially all employees but are now closed to new members. The assets of the scheme are held in separate trustee administered funds.

As part of the 2011 valuation, a new payment schedule has been agreed between the trustees of the pension scheme and the company whereby the company will make contributions from January 2016 to March 2033 to remove the deficit in the fund. The Company will also continue to make contributions towards the expenses of the fund and to cover cost of future accrual benefits for the remaining active members. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit method. The project unit method is an accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings.

**Defined contribution scheme - Tata Chemicals Europe Limited and Tata Chemicals Magadi Limited**

The Company also operates a defined contribution scheme under which costs are charged to the Statement of Profit and Loss account on the basis of contributions payable.

**Defined benefit scheme - British Salt Limited**

The Company operates defined benefit pension arrangements in the UK. Eligible employees of the salt business were members of the British Salt Retirement Income and Life Assurance Plan ("RILA") which was closed to future accrual and new members on 31 January 2008.

## NOTES forming part of the Consolidated Financial Statements (contd.)

RILA is funded by the payment of contributions to a defined benefit scheme and separately administered trust fund. The fund is valued every three years using the projected unit method by an independent, professionally qualified actuary who has also set the contribution rates for the year.

The most recent triennial valuation was performed as at 31st December 2013. The assumptions which had the most significant effect on the results of the valuation were those relating to investment returns and price inflation. The Company has not recognised the actuarial surplus in view of the fact that it does not expect to benefit from reduced contributions or refunds from the scheme in the future. Accordingly, the scheme surplus has been capped such that no surplus or deficit is recognised.

### (ii) US subsidiaries

The Company also sponsors defined contribution retirement savings plans. Participation in one of these plans is available to substantially all represented and non-represented employees. The Company matches employee contributions up to certain predefined limits for non-represented employees based upon eligible compensation and the employee's contribution rate. The Company's contribution to these plans was ₹ 3.26 crore and ₹ 2.96 crore for the year ended 31st March, 2016 and 2015, respectively.

### Pension plans and other post retirement benefit

The Company maintains several defined benefit pension plans covering substantially all employees. A participating employee's annual post retirement pension benefit is determined by the employee's credited service and, in most plans, final average annual earnings with the Company. Vesting requirements are two years. The Company's funding policy is to annually contribute the statutorily required minimum amount as actuarially determined. The Company also maintains several plans providing nonpension postretirement benefits covering substantially all hourly and certain salaried employees. The Company funds these benefits on a pay-as-you-go basis.

### Plan assets

The assets of the Company's defined benefit plans are managed on a commingled basis in a Master Trust. The investment policy and allocation of the assets in the Master Trust were approved by the Company's Investment Committee, which has oversight responsibility for the Company's retirement plans.

The pension fund assets are invested in accordance with the statement of Investment Policies and Procedures adopted by the Company, which are reviewed annually. Pension fund assets are invested on a going-concern basis with the primary objective of providing reasonable rates of return consistent with available market opportunities, a quality standard of investment, and moderate levels of risk. The expected rate of return is expected to be **6.50%** (previous year 7.00%) over rolling ten-year periods. This expected rate of return is estimated upon an analysis of historical returns with consideration for the current economic environment.

- (C) The actuarial gains and losses on the funds for employee benefits (pension plans) of the overseas subsidiaries have been accounted in "Reserves and Surplus" in the consolidated financial statements in accordance with the generally accepted accounting principles applicable and followed in the respective country of incorporation. The Management is of the view that due to volatility and structure of the overseas pension funds, it is not considered practicable to adopt a common accounting policy and deviation is as permitted by AS 21. Had the practice of recognising the actuarial gains and losses of pension plans of the overseas subsidiaries in the Consolidated Statement of Profit and Loss, the consolidated net profit before tax and net profit after tax and minority interest would have been higher / (lower) by amounts as per table below .

		(₹ in crore)	
Sr. No.	Impact on :	2015-16	2014-15
1	Consolidated net profit before tax and after minority interest	68.99	(285.18)
2	Consolidated net profit after tax and minority interest	64.98	(219.42)

## NOTES forming part of the Consolidated Financial Statements (contd.)

The following tables set out the funded status and amounts recognised in the Group's consolidated financial statements as at 31st March, 2016 for the Defined benefits plans.

(₹ in crore)

	Domestic		Overseas		Domestic		Overseas	
	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
<b>(i) Changes in the defined benefit obligation:</b>	As at 31-Mar-2016				As at 31-Mar-2015			
Projected defined benefit obligation								
At the beginning of the year	102.00	95.36	4,422.48	213.77	87.16	81.00	3,853.39	195.84
Current service cost	6.63	3.46	45.93	2.69	5.55	2.91	36.03	2.15
Interest cost	8.02	7.76	163.25	8.49	7.78	7.51	173.17	8.28
Net actuarial (gain) / loss	8.50	5.78	(217.46)	(6.82)	10.16	7.82	703.55	6.65
Benefits paid	(12.23)	(5.12)	(165.57)	(12.52)	(8.65)	(4.31)	(185.92)	(9.05)
Transfer in / transfer out	(0.26)	-	-	-	-	-	-	-
Past service cost	-	-	-	-	-	0.43	-	-
Effect of curtailment	-	-	-	-	-	-	-	-
Exchange variation	-	-	192.37	11.72	-	-	(157.74)	9.15
Retiree drug subsidy reimbursement	-	-	-	-	-	-	-	0.75
Recognised / derecognised on acquisition / disposal	-	-	-	-	-	-	-	-
<b>At the end of the year</b>	<b>112.66</b>	<b>107.24</b>	<b>4,441.00</b>	<b>217.33</b>	<b>102.00</b>	<b>95.36</b>	<b>4,422.48</b>	<b>213.77</b>
<b>(ii) Changes in the fair value of plan assets:</b>								
Fair value of plan assets								
At the beginning of the year	100.41	-	3,320.58	-	93.46	-	3,029.68	-
Expected return on plan assets	8.05	-	143.97	-	7.50	-	168.03	-
Employer's contributions	11.00	-	47.66	-	4.89	-	42.78	-
Net actuarial gain / (loss)	0.36	-	(184.64)	-	3.21	-	382.74	-
Benefits paid	(12.23)	-	(165.57)	-	(8.65)	-	(185.92)	-
Transfer in / transfer out	-	-	-	-	-	-	-	-
Exchange variation	-	-	142.31	-	-	-	(116.73)	-
<b>At the end of the year</b>	<b>107.59</b>	<b>-</b>	<b>3,304.31</b>	<b>-</b>	<b>100.41</b>	<b>-</b>	<b>3,320.58</b>	<b>-</b>
<b>Liability (net) before capping adjustment</b>	<b>5.07</b>	<b>107.24</b>	<b>1,136.69</b>	<b>217.33</b>	<b>1.59</b>	<b>95.36</b>	<b>1,101.90</b>	<b>213.77</b>
Adjustment to cap surplus	-	-	52.32	-	-	-	48.32	-
<b>Liability (net)</b>	<b>5.07</b>	<b>107.24</b>	<b>1,189.01</b>	<b>217.33</b>	<b>1.59</b>	<b>95.36</b>	<b>1,150.22</b>	<b>213.77</b>
Actual return on plan assets	8.41	-	(40.67)	-	10.71	-	550.77	-
<b>(iii) Net employee benefit expense (recognised in employee cost) for the year</b>								
Current service cost	6.64	3.49	45.93	2.72	5.55	2.91	36.03	2.15
Interest defined benefit obligation	8.02	7.76	163.25	8.49	7.78	7.51	173.17	8.28
Expected return on plan assets	(8.05)	-	(143.97)	-	(7.50)	-	(168.03)	-
Net actuarial (gain) / loss recognised in the year	8.13	5.78	36.83	-	6.95	7.82	19.64	-
Past service cost	-	-	-	-	-	0.43	-	-
Effect of curtailment	-	-	-	-	-	-	-	-
Effect of the Limit in Para 59(b)	-	-	-	-	(0.26)	-	-	-
<b>Net benefit expense</b>	<b>14.74</b>	<b>17.03</b>	<b>102.04</b>	<b>11.21</b>	<b>12.52</b>	<b>18.67</b>	<b>60.81</b>	<b>10.43</b>
Net actuarial (gain) / loss recognised in reserves	-	-	(67.14)	(6.82)	-	-	314.87	6.65
Minority share in Net actuarial (gain) / loss	-	-	4.97	-	-	-	(36.34)	-
Net actuarial (gain) / loss not recognised #	-	-	(2.51)	-	-	-	(13.70)	-

# The Group has not recognised the actuarial surplus in case of one of its overseas subsidiary, amounting to ₹ 2.51 crore (previous year ₹ 13.70 crore) as it does not expect to benefit from reduced contributions or refunds from the scheme in the future.

## NOTES forming part of the Consolidated Financial Statements (contd.)

### (iv) Categories of plan assets as a percentage of the fair value of total plan assets

	Domestic %	Overseas %	Domestic %	Overseas %
	As at 31-Mar-2016		As at 31-Mar-2015	
Government Securities	24	-	29	-
Corporate Bonds	18	70	16	48
Special Deposit Scheme	1	-	1	-
Equity Shares of Listed Companies	-	24	-	48
Fund Managed by Life Insurance Corporation of India	56	-	53	-
Others	1	6	1	4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

### (v) Assumptions used in accounting for gratuity and post retirement medical benefit obligations :

	Domestic		Overseas		UK Plans
	Funded	Unfunded	Funded	Unfunded	Funded
Discount rate	7.60% to 8.04%	7.80% to 8.04%	4.24%	4.16%	3.50%
	7.80% to 8.00%	7.80% to 8.04%	4.08%	3.99%	3.20%
	7.80% to 8.50%	NA	6.50%	N/A	3.50%
Expected rate of return on plan assets	7.97% to 9.00%	NA	7.00%	NA	5.30% to 5.80%
	For parent - 10% for the first year and 7.5% thereafter and for subsidiary-8%	For parent - 10% for the first year and 7.5% thereafter and for subsidiary-8%	4.5% to 9.00%	NA	NA
Increase in compensation cost	For parent- 10% for the first year and 7.5% thereafter and for subsidiary-8%	For parent- 10% for the first year and 7.5% thereafter and for subsidiary-8%	4.5% to 9.0%	NA	NA
	NA	7.97% to 9.00%	NA	8.00%	NA
Healthcare cost increase rate	NA	8.00%	NA	8.25%	NA
	NA	5.00%	NA	NA	2.10 % to 2.80%
Pension increase rate	NA	5.00%	NA	NA	2.10 % to 3.30%

- (a) Discount rate for the domestic plans is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.
- (b) Expected rate of return on plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.
- (c) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.
- (d) The details of the Company's post-retirement and other benefit plans for its employees given above, are certified by the actuaries and relied upon by the Auditors.
- (e) The figures in light print are for the previous year.

## NOTES forming part of the Consolidated Financial Statements (contd.)

- (v) The proportionate share of audited assets, liabilities, income and expenditure, contingent liabilities and capital commitments of the Joint Ventures included in the consolidated financial statements are given below:

(₹ in crore)

Country of Incorporation	Indo Maroc Phosphore S. A.		Alcad		Natronx Technologies LLC		JOil (S) Pte. Limited		The Block Salt Company Limited	
	Morocco		United States of America		United States of America		Singapore		United Kingdom	
	Percentage of ownership interest		50.00%		33.30%		33.78%		50.00%	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Liabilities	129.07	119.74	19.56	16.63	4.28	4.75	1.58	1.52	0.69	1.06
Assets	323.68	286.75	19.56	16.63	5.11	129.03	33.83	30.43	3.19	3.29
Income	608.77	577.04	173.27	149.84	26.61	16.04	5.08	2.60	5.61	6.09
Expenditure	578.11	536.20	115.55	99.29	32.73	22.39	13.52	13.69	5.33	5.45
Profit/(Loss) after tax for the year	30.66	40.84	57.72	50.55	(6.12)	(6.35)	(8.44)	(11.09)	0.28	0.64
Capital and other Commitments	-	-	-	-	-	-	-	0.91	-	-

- (vi) Disclosure as required by AS 29 "Provisions, Contingent Liabilities and Contingent Assets" in respect of provisions as at 31st March, 2016

- (a) The Group has made provision for various obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below.

(₹ in crore)

Particulars	Warranty		Site restoration expenses		Others		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Opening Balance	0.38	0.12	228.60	359.22	207.53	194.61	436.51	553.95
Add : Provision during the year	0.28	0.45	31.42	16.59	55.82	36.39	87.52	53.43
Less : Payments / reversal during the year	(0.38)	(0.19)	(42.39)	(146.90)	(44.75)	(26.26)	(87.52)	(173.35)
Add /(Less): Exchange difference	-	-	13.02	(0.31)	6.77	2.79	19.79	2.48
<b>Closing Balance</b>	<b>0.28</b>	<b>0.38</b>	<b>230.65</b>	<b>228.60</b>	<b>225.37</b>	<b>207.53</b>	<b>456.30</b>	<b>436.51</b>

- (b) Nature of provisions:

- (i) Warranty: The Company gives warranties on certain products that fail to perform satisfactorily during the warranty period. Provision made as at 31st March, 2016 represents the amount of the expected cost of meeting such obligations of rectification/ replacement. The timing of the outflows is expected to be within a period of one year from the date of Consolidated Balance Sheet.
- (ii) Provision for Site restoration expense is in respect of afforestation and bio-diversity charges in India, costs to be incurred following the closure of plants in UK and Netherlands, committed expenditure to demolish redundant power facilities owned by the group in the UK and cost towards reclamation of the mine and land upon the termination of the partnership in the US.
- (iii) Others: Other Provisions include provision for litigations that are expected to materialise in respect of matters in appeal and expected tax liability in respect of indirect taxes, obligations to surrender carbon emission allowances to the Environment agency in the UK.

**NOTES** forming part of the Consolidated Financial Statements (contd.)**(vii) Derivative Instruments:**

(a) As at 31st March, 2016, the Group has the following derivative instruments outstanding:

(in million)					
		Hedged Exposure	Currency	As at 31-Mar-2016	As at 31-Mar-2015
Foreign Currency Forward Contracts	USD/INR	Foreign Currency Loans	USD	199.11	146.49
	USD/INR	Foreign Currency Acceptances	USD	40.45	122.49
	CHF/INR	Foreign Currency Trade Payables	CHF	0.03	-
	USD/INR	Highly Probable Forecast Transactions	USD	5.05	35.40
	USD/INR	Foreign Currency Payable	USD	20.83	87.19
	EUR/INR	Foreign Currency Payable	EUR	0.62	-
	EUR/INR	Highly Probable Forecast Transactions	EUR	0.68	0.88
	EUR/INR	Foreign Currency Receivable	EUR	-	0.03
	JPY/INR	Foreign Currency Payable	JPY	253.20	77.60
	EUR/GBP	Foreign Currency Receivable	GBP	0.34	-
	USD/GBP	Foreign Currency Receivable	USD	-	0.70
	USD/ZAR	Foreign Currency Receivable	USD	-	0.06
	Currency Option Contracts	USD/INR	External Commercial Borrowing	USD	15.00
Commodity Forward Contracts	GBP	Fluctuation in Natural Gas	GBP	8.07	0.51
	USD	Fluctuation in Natural Gas / HFO	USD	1.55	5.60
<b>Swaps</b>					
Interest Rate Swap	USD	Floating Interest Rate Liability	USD	205.25	203.60
	GBP	Floating Interest Rate Liability	GBP	-	0.79
Full Currency Swap (exchange rate / interest rate)	USD/INR	External Commercial Borrowing	USD	235.00	235.00
Coupon only Swap	USD/INR	External Commercial Borrowing	USD	15.00	15.00

(b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under:

	Foreign Currency	As at 31-Mar-2016		As at 31-Mar-2015	
		Amount in Foreign Currency (in million)	₹ in crore	Amount in Foreign Currency (in million)	₹ in crore
Receivables	USD	18.06	119.67	64.11	400.71
	SGD	-	-	0.03	0.12
	JPY	-	-	1.60	0.08
	GBP	2.07	19.80	0.17	1.59
	EUR	0.14	1.04	1.98	13.31
	CHF	-	-	0.06	0.39
	DKK	0.01	0.01	0.01	*
	SEK	0.12	0.10	0.07	0.05
	AUD	-	-	0.03	0.15
	KES	5.97	0.38	-	-
Payables	USD	27.99	185.46	83.62	522.65
	JPY	255.90	15.05	83.50	4.35
	GBP	0.12	1.13	0.08	0.72
	EUR	0.13	0.95	0.89	5.99
	CHF	-	-	0.18	1.14
	KES	8.58	0.55	-	-

## NOTES forming part of the Consolidated Financial Statements (contd.)

### (viii) Contingent Liabilities and Commitments (to the extent not provided for)

#### (i) Contingent Liabilities :

##### (a) Guarantees:

Bank Guarantees issued by Banks on behalf of the Group ₹ **11.91 crore** (previous year ₹ 14.54 crore). These are covered by the charge created in favour of the Group's bankers by way of hypothecation of stocks and debtors.

##### (b) Claims not acknowledged by the Group relating to cases contested by the Company and which, in the opinion of the Management, are not likely to devolve on the Company relating to the following areas :

	As at 31-Mar-2016	As at 31-Mar-2015
(i) Excise and customs	26.93	26.74
(ii) Sales tax	96.24	105.61
(iii) Demand for utility charges	11.02	18.38
(iv) Labour and other claims against the Group not acknowledged as debt	11.42	8.79
(v) Income Tax (Pending before Appellate authorities in respect of which the Company is in appeal)	280.84	229.34
(vi) Income Tax (Decided in Company's favour by Appellate authorities and Department is in further appeal)	47.15	46.93
(vii) Others	6.19	5.84

(₹ in crore)

##### (c) Various claims pending before Industrial Tribunals and Labour Courts of which amounts are indeterminate.

#### (ii) Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ **78.71 crore** (previous year ₹ 105.23 crore).

(b) Capital commitment towards investment in joint ventures/subsidiaries ₹ **0.81 crore** (previous year ₹ 1.23 crore).

(c) Estimated amount of contract with minimum commitment for plant activity ₹ **19.55 crore** (previous year ₹ 8.16 crore).

(d) For commitments related to derivatives and leases refer note 30 (vii) and 30 (ix) respectively.

### (ix) Operating and Finance Leases :

#### As a lessee

	2015-16	2014-15
(a) Total of minimum lease payments	375.56	367.56
The total of minimum lease payments for a period:		
Not later than one year	112.86	106.74
Later than one year and not later than five years	160.20	216.93
Later than five years	102.50	43.89
(b) Lease payments recognised in the Consolidated Statement of Profit and Loss for the year (included in rent and cost of materials consumed)	212.20	183.69

(₹ in crore)

(c) In respect of various subsidiaries, the future minimum lease payments under finance leases ₹ **0.39 crore** (previous year ₹ 0.51 crore) are as follows-

(i) Not later than one year - ₹ **0.16 crore** (previous year ₹ 0.15 crore)

(ii) Later than one year but not later than five years - ₹ **0.23 crore** (previous year ₹ 0.36 crore)

(iii) Later than five years - ₹ **Nil** (previous year ₹ Nil)

## NOTES forming part of the Consolidated Financial Statements (contd.)

(x) During the year ended 31st March, 2016, the Company's wholly owned subsidiary Bio Energy Venture - 1 (Mauritius) Pvt. Ltd, has entered into an agreement for sale of its entire stake in Grown Energy Zambeze Holdings Pvt. Ltd. and its subsidiaries. The administrative approvals in the respective jurisdictions for effecting the proposed sale are awaited. In view of the above, the Company has consolidated the net loss after tax of ₹ 16.05 crore and the net liabilities of ₹ 4.55 crore (net of assets of ₹ 5.48 crore) of Grown Energy Zambeze Holdings Pvt. Ltd and of its subsidiaries as of and upto September, 2015 after which date all revenues and costs have been borne by the prospective buyer.

(xi) Details of investment made in Crystal Peak Minerals Inc. (formerly EPM Mining Ventures Inc.) an Associate company, is as follows:

	(₹ in crore)	
	2015-16	2014-15
Fully paid Equity shares in Associate Company (Carrying value)	27.43	31.58
Add : Exchange	1.59	1.25
Less : Share of loss in associate	(3.15)	(4.82)
Less : Loss on dilution of investment	-	(0.58)
Closing balance	25.87	27.43

(xii) During the year ended 31st March, 2016, Rallis, a subsidiary of the Company, has agreed to assign its leasehold rights in a property at Turbhe Navi Mumbai, for a gross consideration of ₹ 214 crore to Ikea India Private Limited. As at reporting date, the arrangement was subject to Rallis obtaining necessary approvals under various regulations. Subsequent to reporting date, Rallis has obtained necessary approvals and received the consideration upon compliance with the conditions stipulated in the agreement. As this is not an adjusting event, the financial statement does not contain effect thereof.

(xiii) Statement of Net Assets and Profit or Loss Attributable to Owners and Minority Interest

Sr. No.	Name of the Company	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss	
		As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore
<b>Parent</b>					
	Tata Chemicals Limited	24.30	6,394.22	43.43	594.58
<b>Subsidiaries</b>					
<b>Indian Subsidiaries</b>					
1	Rallis India Limited	3.29	865.46	9.20	126.02
2	Rallis Chemistry Exports Limited	(*)	(0.16)	(*)	(0.01)
3	Metahelix Life Sciences Ltd	0.20	53.55	1.51	20.62
4	Zero Waste Agro Organics Ltd.	0.05	14.21	0.02	0.26
<b>Foreign Subsidiaries</b>					
1	Tata Chemicals International Pte. Limited	12.60	3,313.73	4.73	64.75
2	Homefield Pvt. UK Limited	(4.54)	(1,193.62)	(2.87)	(39.28)
3	Homefield 2 UK Limited	0.13	34.70	-	-
4	Tata Chemicals (Europe) Holdings Limited	(4.93)	(1,297.67)	(5.51)	(75.45)
5	Brunner Mond Group Limited	2.57	676.69	2.55	34.98
6	Tata Chemicals Europe Limited	(1.68)	(441.50)	(6.52)	(89.24)
7	Brunner Mond Limited	-	*	-	-
8	Tata Chemicals Magadi Limited	(1.91)	(503.52)	0.47	6.49
9	Tata Chemicals South Africa (Pty) Limited	0.06	15.94	(0.09)	(1.24)
10	Northwich Resource Management Limited	-	*	-	-

**NOTES** forming part of the Consolidated Financial Statements (contd.)

Sr. No.	Name of the Company	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss	
		As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore
11	Brunner Mond Generation Company Limited	-	*	-	-
12	Tata Chemicals Africa Holdings Limited	0.02	6.23	*	0.06
13	Magadi Railway Company Limited	*	0.01	-	-
14	Winnington CHP Limited	(0.77)	(203.64)	(1.81)	(24.76)
15	Gusiute Holdings (UK) Limited	18.98	4,993.57	8.75	119.82
16	Valley Holdings Inc.	25.75	6,768.98	9.28	126.84
17	Tata Chemicals North America Inc.	1.08	283.79	(12.15)	(166.32)
18	TCNA (UK) Limited	*	0.17	0.01	0.16
19	General Chemical International Inc.	*	0.01	-	-
20	NHO Canada Holdings Inc.	-	*	-	-
21	Tata Chemicals (Soda Ash) Partners	6.36	1,673.25	34.27	469.17
22	General Chemical Canada Holding Inc.	-	-	-	-
23	TCSAP Holdings	(2.86)	(752.84)	(0.02)	(0.32)
24	TCSAP LLC	-	-	0.33	4.58
25	Bio Energy Venture - 1 (Mauritius) Pvt. Ltd.	16.75	4,408.08	0.96	13.17
26	Grown Energy Zambeze Holdings Pvt. Ltd.	*	0.15	(0.18)	(2.44)
27	Grown Energy (Pty) Limited	-	*	-	-
28	Grown Energy Zambeze Limitada	(0.23)	(60.73)	(1.32)	(18.03)
29	British Salt Limited	2.90	762.61	8.92	122.07
30	Cheshire Salt Holdings Limited	*	0.02	-	-
31	Cheshire Salt Limited	0.85	224.76	0.86	11.76
32	Brinefield Storage Limited	(*)	(0.06)	-	-
33	Cheshire Cavity Storage 2 Limited	-	*	-	-
34	Cheshire Compressor Limited	-	*	-	-
35	Irish Feeds Limited	-	*	-	-
36	New Cheshire Salt Works Limited	0.06	16.96	-	-
<b>Joint Ventures</b>					
<b>(as per proportionate consolidation)</b>					
<b>Foreign</b>					
1	ALCAD	-	-	4.22	57.73
2	JOil (S) Pte. Ltd. and its subsidiaries	0.12	32.25	(0.62)	(8.44)
3	The Block Salt Company Limited	0.01	2.50	0.02	0.28
4	Natronx Technologies LLC	*	0.83	(0.45)	(6.12)
5	Indo Maroc Phosphore S.A.	0.74	194.61	2.24	30.66
<b>Associates</b>					
<b>(Investment as per the Equity method)</b>					
	Crystal Peak Minerals Inc. (formerly EPM Mining Ventures Inc.)	0.10	25.87	(0.23)	(3.15)
<b>Total</b>		<b>100.00</b>	<b>26,309.41</b>	<b>100.00</b>	<b>1,369.20</b>
a)	<b>Adjustments arising out of Consolidation</b>		<b>(19,274.00)</b>		<b>(392.48)</b>

**NOTES** forming part of the Consolidated Financial Statements (contd.)

Sr. No.	Name of the Company	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss	
		As % of consolidated net assets	₹ in crore	As % of consolidated profit or loss	₹ in crore
<b>b)</b>	<b>Minority Interests</b>				
	<b>Indian Subsidiaries</b>				
	Rallis India Limited		(478.21)		(71.43)
	Metahelix Life Sciences Ltd		-		(3.61)
	Zero Waste Agro Organics Ltd.		(3.75)		(0.10)
	<b>Foreign Subsidiaries</b>				
	Valley Holdings Inc.		(265.05)		(121.42)
			<b>(747.01)</b>		<b>(196.56)</b>
	Consolidated Net Assets / Profit after tax		<b>6,288.40</b>		<b>780.16</b>

(xiv) Asterisk (\*) denotes figures below ₹ 50,000.

(xv) Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's figures.

Signatures to Notes '1' to '30',  
For and on behalf of the Board

**Cyrus P. Mistry**  
Chairman

**Dr. Y. S. P. Thorat**  
Director

**Nusli N. Wadia**  
Director

**Vibha Paul Rishi**  
Director

**John Mulhall**  
Chief Financial Officer

**Nasser Munjee**  
Director

**Bhaskar Bhat**  
Director

Mumbai, 26th May, 2016

**Rajiv Chandan**  
General Counsel & Company Secretary

**Eknath A. Kshirsagar**  
Director

**R. Mukundan**  
Managing Director

**Statement pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary, joint venture and associate companies**

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% holding	(₹ in crore)	
														4,871.56	1,557.83
1	Tata Chemicals International Pte. Limited	USD	3,953.69	(639.95)	4,871.56	1,557.83	4,646.71	405.74	65.53	-	65.53	-	100.00		
2	Homefield Pvt. UK Limited	USD	678.31	(1,871.93)	42.09	1,235.71	39.75	-	(39.75)	-	(39.75)	-	100.00		
3	Homefield 2 UK Limited	GBP	199.70	(165.00)	34.70	-	34.70	-	-	-	-	-	100.00		
4	Tata Chemicals (Europe) Holdings Limited	GBP	199.70	(1,497.37)	747.32	2,044.99	635.46	-	(72.95)	-	(72.95)	-	100.00		
5	Brunner Mond Group Limited	GBP	607.37	69.33	676.69	-	-	-	33.83	-	33.83	-	100.00		
6	Tata Chemicals Europe Limited	GBP	162.68	(604.18)	1,089.70	1,531.21	-	1,118.44	(87.55)	(1.26)	(86.29)	-	100.00		
7	Brunner Mond Limited	GBP	*	*	*	*	-	-	-	-	-	-	100.00		
8	Tata Chemicals Magadi Limited	USD	8.75	(512.27)	341.30	844.82	-	488.17	6.53	-	6.53	-	100.00		
9	Tata Chemicals South Africa (Pty) Limited	ZAR	*	15.94	105.08	89.14	-	197.65	(1.58)	(0.41)	(1.16)	-	100.00		
10	Northwich Resource Management Limited	GBP	*	-	*	-	-	-	-	-	-	-	100.00		
11	Brunner Mond Generation Company Limited	GBP	*	-	*	-	-	-	0.06	-	0.06	-	100.00		
12	Tata Chemicals Africa Holdings Limited	GBP	37.67	(31.44)	6.23	-	-	-	-	-	-	-	100.00		
13	Magadi Railway Company Limited	KSH	0.01	-	0.01	-	-	-	-	-	-	-	100.00		
14	Winnington CHP Limited	GBP	-	(203.64)	154.25	357.90	-	387.87	(25.26)	(1.32)	(23.94)	-	100.00		
15	Gusiate Holdings (UK) Limited	USD	4,712.96	280.61	4,999.22	5.65	4,925.48	-	121.25	(1.02)	121.25	120.58	100.00		
16	Valley Holdings Inc.	USD	*	6,768.98	6,779.21	10.23	6,711.39	-	127.34	(1.02)	128.36	130.72	100.00		
17	Tata Chemicals North America Inc.	USD	*	283.79	2,472.50	2,188.71	1,303.35	31.32	(124.61)	43.71	(168.32)	132.51	100.00		
18	TCNA (UK) Limited	USD	-	0.17	101.62	101.46	-	47.74	0.21	0.04	0.17	-	100.00		
19	General Chemical International Inc.	USD	0.01	-	0.01	-	-	-	-	-	-	-	100.00		
20	NHO Canada Holdings Inc.	USD	*	-	*	-	-	-	-	-	-	-	100.00		
21	Tata Chemicals (Soda Ash) Partners \$	USD	-	1,673.25	2,695.87	1,022.62	-	2,929.09	474.80	-	474.80	463.79	75.00		
22	General Chemical Canada Holding Inc.	USD	@	-	-	-	-	-	-	-	-	-	100.00		
23	TCSAP Holdings \$	USD	-	(752.84)	(752.84)	-	-	-	(0.32)	-	(0.32)	-	75.00		
24	TCSAP LLC	USD	-	-	-	-	-	-	4.64	-	4.64	-	75.00		
25	Bio Energy Venture - 1 (Mauritius) Pvt. Ltd.	USD	4,806.02	(397.94)	4,408.30	0.22	4,004.36	-	13.81	0.49	13.32	-	100.00		
26	Grown Energy Zambze Holdings Pvt. Ltd.	USD	94.14	(93.99)	0.31	0.16	-	-	(2.47)	-	(2.47)	-	100.00		
27	Grown Energy (Pty) Limited	ZAR	*	-	*	-	*	-	-	-	-	-	100.00		
28	Grown Energy Zambze Limitada	MZN	0.24	(60.97)	20.14	80.87	-	-	(15.07)	-	(15.07)	-	95.00		
29	Rallis India Limited	INR	19.45	846.01	1,265.31	399.85	304.96	12.91	164.98	38.96	126.02	48.62	50.06		
30	Rallis Chemistry Exports Limited	INR	0.05	(0.21)	0.03	0.19	-	-	(0.01)	-	(0.01)	-	100.00		
31	MetaHelix Life Sciences Ltd	INR	0.11	53.44	259.03	205.48	-	334.08	20.62	-	20.62	-	100.00		
32	Zero Waste Agro Organics Ltd.	INR	0.07	14.14	16.23	2.02	9.40	11.45	0.36	0.10	0.26	-	73.63		
33	British Salt Limited	GBP	*	762.61	870.41	107.81	7.31	351.71	111.53	(6.50)	118.03	-	100.00		
34	Cheshire Salt Holdings Limited	GBP	1.34	(1.32)	0.02	-	-	-	-	-	-	-	100.00		
35	Cheshire Salt Limited	GBP	*	224.76	224.76	-	-	-	11.37	-	11.37	-	100.00		
36	Brinefield Storage Limited	GBP	0.01	(0.07)	-	0.06	-	-	-	-	-	-	100.00		
37	Cheshire Cavity Storage 2 Limited	GBP	*	-	*	-	-	-	-	-	-	-	100.00		
38	Cheshire Compressor Limited	GBP	*	-	*	-	-	-	-	-	-	-	100.00		
39	Irish Feeds Limited	GBP	*	-	*	-	-	-	-	-	-	-	100.00		
40	New Cheshire Salt Works Limited	GBP	7.28	9.68	16.96	-	1.43	-	-	-	-	-	100.00		

**Notes:**

- The financial statements of subsidiaries are converted into Indian Rupees on the basis of exchange rate as on closing day of the financial year
- @ Shares issued with no par value
- \$ Partner's capital included as reserves
- General Chemical (Great Britain) Limited, a step-down subsidiary ceased to exist with effect from 16th June, 2015
- Asterisk (\*) denotes figures below ₹ 50,000

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary, joint venture and associate companies (contd.)

Sr. No.	Name	Associates/ Joint Ventures	Currency	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year Considered in Consolidation	Profit / Loss for the year Not Considered in Consolidation
					Number of Shares	Amount of Investment in Associates/ Joint Venture	Extend of Holding %					
1	AlCad	Joint Ventures	USD	31-Mar-16	-	-	37.50%	Note 4	Not Applicable	-	57.72	Not Applicable
2	JOIL (S) Pre. Limited	Joint Ventures	SGD	31-Mar-16	2,30,00,000	120.33	33.78%	Note 5	Not Applicable	32.25	(8.44)	Not Applicable
3	The Block Salt Company Limited	Joint Ventures	GBP	31-Mar-16	15,00,00,000	1.43	50.00%	Note 5	Not Applicable	2.50	0.28	Not Applicable
4	Natronx Technologies LLC	Joint Ventures	USD	31-Mar-16 and note 1	-	-	24.98%	Note 4	Not Applicable	0.83	(6.12)	Not Applicable
5	Indo Maroc Phosphate S.A.	Joint Ventures	MAD	31-Dec-2015 and note 2	2,06,666	166.26	33.33%	Note 5	Not Applicable	194.61	30.66	Not Applicable
6	Crystal Peak Minerals Inc. (formerly EPM Mining Ventures Inc.)	Associates	USD	31-Dec-2015 and note 3	2,90,55,612	243.28	19.47%	Note 6	Not Applicable	64.78	(3.15)	Not Applicable

Notes:

- Investment impaired during the year ended 31st March, 2015
- Local GAAP Financial Statement audited as on 31st December, 2015 and figures are based on audited fit for consolidation statement as on 31st March, 2016
- Local GAAP Financial Statement audited as on 31st December, 2015 and figures are based on unaudited financial statement as on 31st March, 2016
- There is significant influence due to interest in joint control over economic activities
- There is significant influence due to shareholding and joint control over the economic activities
- There is significant influence due to shareholding

## BUSINESS RESPONSIBILITY STATEMENT - SUMMARY

We, at Tata Chemicals, take business responsibility as an important element in our sustainability journey. As a part of the National Voluntary guidelines (NVG) on the social, environmental and economic responsibilities of business, comprehensive principles have been articulated for adoption by companies as a part of their business practices. A structured business responsibility reporting (BRR) format requiring specified disclosures has been developed for demonstrating the steps companies have taken to implement these principles.

Although, the inclusion of BRR is not mandatory for the Company, as a responsible citizen, we have decided to voluntarily prepare the same for the information of all our stakeholders.

The NVG have nine guiding principles which are as under:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):

Sr.	Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If Yes, Specify (50 words)*	Y (UN Global Compact-GRI)	Y (RC/ ISO14001)	Y (OHSAS – 18001)	Y (UN Global Compact_GRI)	Y (SA-8000)	Y (ISO-14001)	Y (Tata Code of Conduct conforms to NVG)	Y (UN Global Compact-GRI)	Y (Responsible Care)
4	Has the policy been approved by the Board?	Y	Y	-	-	Y	-	Y	-	Y
	If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="http://www.tatachemicals.com/Sustainability/sustainability_report.htm">http://www.tatachemicals.com/Sustainability/sustainability_report.htm</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the company have a grievance Redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

\* Note – Our Policies are linked to the following National / International Standards :-

RC 14001, OHSAS – 18001, GRI, SA-8000, ISO-9001, ISO-14001 and UNGC.

The full version of BRR can be viewed on the Company's website [www.tatachemicals.com](http://www.tatachemicals.com)

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTY SEVENTH ANNUAL GENERAL MEETING OF TATA CHEMICALS LIMITED will be held on Thursday, 11th August, 2016 at 3.00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020, to transact the following businesses:-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 together with the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2016 together with the Report of the Auditors thereon.
3. To declare dividend on Ordinary Shares for the financial year ended 31st March 2016.
4. To appoint a Director in place of Mr. R. Mukundan (DIN 00778253), who retires by rotation and being eligible, offers himself for re-appointment.
5. Ratification of Auditors' appointment

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No. 117366W/W-100018), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Seventy Eighth (78th) AGM to be held in the year 2017 to examine and audit the accounts of the Company for the financial year 2016-17, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

### SPECIAL BUSINESS

6. Appointment of Mr. Bhaskar Bhat as a Director

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Bhaskar Bhat (DIN: 00148778), who was appointed as an Additional Director of the Company with effect from 20th October, 2015 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ('the Act') and the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

7. Appointment of Dr. Nirmalya Kumar as a Director

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Dr. Nirmalya Kumar (DIN: 00364637), who was appointed as an Additional Director of the Company with effect from 26th May, 2016 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ('the Act') and the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

8. Ratification of Remuneration of Cost Auditors

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 9,00,000 plus service tax and out-of-pocket expenses payable to M/s. N. I. Mehta & Co., Cost Accountants and ₹ 1,20,000 plus service tax and out-of-pocket expenses payable to M/s. Ramanath Iyer & Co; Cost Accountants, who are appointed by the Board of Directors as Cost Auditors of the Company to conduct cost audits relating to cost records of the Company for the year ending 31st March, 2017.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

## Notes:

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), in respect of the business as set out in Item Nos. 5 to 8 above and the relevant details of the Directors seeking re-appointment/appointment under Item Nos. 4, 6 and 7 above as required by Regulation 26 (4) and 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and as required under Secretarial Standards – 2 on General Meetings issued by The Institute of Company Secretaries of India are annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the AGM. A Proxy form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolution or authority as applicable.  
  
A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
3. **Book Closure and Dividend:**  
  
The Register of Members and the Share Transfer Books of the Company will be closed from Thursday, 4th August, 2016 to Thursday, 11th August, 2016 both days inclusive.  
  
The dividend, if declared at the AGM, will be paid on and from Thursday, 18th August, 2016 to those persons:
  - (a) whose names appear as beneficial owners as at the end of the business hours on Wednesday, 3rd August, 2016 in the list of beneficial owners to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
  - (b) whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Share Transfer Agents on or before Wednesday, 3rd August, 2016.
4. **National Automated Clearing House (NACH):**
  - (a) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided NACH facility to the members for the remittance of dividend. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFS Code), along with their Folio Number, to the Company's Registrar and Share Transfer Agents, TSR Darashaw Limited.
  - (b) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the depository participant of the members.
5. Members holding shares in physical form are requested to consider converting their holding(s) to dematerialised form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Registrar and Share Transfer Agents for assistance in this regard.
6. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agents, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
7. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names as per the Register of Members of the Company will be entitled to vote.
9. **Nomination Facility:**  
  
As per the provisions of Section 72 of the Act, facility for making nomination is available for the members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to cancel the earlier nomination and record fresh nomination, he may submit the same in Form No. SH-14. Members holding shares in physical form are requested to obtain the nomination forms from the Company's Registrar and Share Transfer Agents. Both

## NOTICE

the forms are also available of the website of the Company under "Investor Relations" section. Members holding shares in electronic form may obtain the nomination forms from their respective depository participants.

## 10. Unclaimed Dividend:

**a) Transfer to General Revenue Account**

Pursuant to Section 205A(5) of the Companies Act, 1956 ('1956 Act'), all unclaimed dividend upto the financial year ended, 31st March, 1995 has been transferred to the General Revenue Account of the Central Government. Members who have not yet encashed their dividend warrant for the said period are requested to forward their claims in Form No. II prescribed under the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 or such other forms as may be prescribed by the Ministry of Corporate Affairs to:

**Office of the Registrar of Companies**

Central Government Office Building  
'A' Wing, Second floor,  
Next to Reserve Bank of India,  
CBD, Belapur 400 614

**b) Transfer to the Investor Education and Protection Fund**

Consequent upon amendment to Section 205A of the 1956 Act and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the dates they became first due for payment shall be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India.

Accordingly, the dividend which had remained unpaid / unclaimed from the financial years ended 31st March, 1996 to 31st March, 2008 have been transferred to IEPF in respect of the Company and that of erstwhile Hind Lever Chemicals Limited (since merged with the Company effective 1st June, 2004), for the financial year ended 31st December, 2003 have been transferred to IEPF. Members are requested to note that pursuant to Section 205C of the 1956 Act, no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed / unpaid for a period of seven years from the dates they became first due for payment.

Accordingly, Members are requested to note the following due date(s) for claiming the unpaid/unclaimed dividend declared by the Company for the financial year 2008-09 and thereafter –

Financial year	Date of Declaration	Last date for claiming unpaid dividend
2008-09	30th July, 2009	29th July, 2016
2009-10	9th August, 2010	8th August, 2017
2010-11	9th August, 2011	8th August, 2018
2011-12	22nd August, 2012	21st August, 2019
2012-13	26th August, 2013	25th August, 2020
2013-14	21st August, 2014	20th August, 2021
2014-15	11th August, 2015	10th August, 2022

Members who have not encashed the dividend warrants so far in respect of the aforesaid period(s), are requested to make their claim to TSR Darashaw Limited, Share Transfer Agents well in advance of the above due dates.

**c) Details of unclaimed dividend on the website**

The Ministry of Corporate Affairs on 10th May, 2012 notified the Investor Education Protection Fund (IEPF) (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Upload Rules). The objective of the IEPF Upload Rules is to help the members ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Upload Rules, the Company has uploaded the information in respect of the unclaimed dividends as on the date of the previous AGM i.e. 11th August, 2015 (76th AGM) on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under "Investor Relations" section on the website of the Company viz. [www.tatachemicals.com](http://www.tatachemicals.com).

11. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the depository participant(s) and holdings should be verified.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents.
13. Electronic copy of the Annual Report for FY 2015-16 is being sent to all the members whose email IDs are registered with the Company/depository participant(s) for communication

purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for FY 2015-16 is being sent in the permitted mode.

14. To support the 'Green Initiative', the members who have not registered their e-mail addresses are requested to register the same with Registrars/depository participant(s).
15. Members desiring any information relating to Accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready at the AGM.
16. A route map showing directions to reach the venue of the 77th AGM forms part of the Annual Report.

**17. Process and Manner for voting through electronic means:**

- I. In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the members are provided with the facility to exercise their right to vote electronically, through the e-voting services provided by NSDL, i.e. facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM (remote e-voting) on all the resolutions set forth in this Notice. Instructions for remote e-voting are given herein below. Resolution(s) passed by members by remote e-voting is/are deemed to have been passed as if they have been passed at the AGM.
- II. The facility for voting through electronic voting system or by ballot paper shall be made available at the meeting also and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- III. The remote e-voting period commences on Monday, 8th August, 2016 (9.00 a.m. IST) and ends on Wednesday, 10th August, 2016 (5.00 p.m. IST). During this period, members' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of Thursday, 4th August, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. A person who is not a member as on the cut-off date should treat this Notice for information purpose only. Members who have cast their vote by remote e-voting prior to the AGM are also eligible to attend the meeting but shall not be entitled to cast their vote again.

IV. The process and manner for remote e-voting are as under:

- A. In case a member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)] :
  - (i) Open email and open PDF file viz; "TCL remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iii) Click on Shareholder – Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of "Tata Chemicals Limited".
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution(s), you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who is / are authorized to vote, to the Scrutinizer through e-mail to [tcl.scrutinizer@gmail.com](mailto:tcl.scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- B. In case a member receives physical copy of the Notice of AGM [for members whose email IDs

**NOTICE**

are not registered with the Company/depository participant(s) or requesting physical copy] :

- (i) Initial password is provided in the attendance slip:- **EVEN** (e-voting Event Number) **USER ID** and **PASSWORD/PIN**.
  - (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.
- V. In case of any queries, members may refer the Frequently Asked Questions (FAQs) and remote e-voting user manual available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no: 1800-222-990. In order to address any grievances relating to e-voting, you may write to Mr. Rajiv Ranjan, Asst. Manager, NSDL at the designated email id [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [rajivr@nsdl.co.in](mailto:rajivr@nsdl.co.in) or at the following telephone no. 2499 4600.
- VI. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- VIII. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Thursday, 4th August, 2016.
- IX. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Thursday, 4th August, 2016, may obtain the user ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [investors@tatachemicals.com](mailto:investors@tatachemicals.com).

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- X. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- XI. Mr. P. N. Parikh and failing him Ms. Jigyasa Ved of M/s. Parikh & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer for providing

facility to the members of the Company to scrutinize remote e-voting process as well as voting at the AGM in a fair and transparent manner.

- XII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of e-Voting or by ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIII. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the meeting and, thereafter unblock the votes cast through remote e-voting, in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XIV. The results declared alongwith the Scrutinizer's Report, shall be placed on the website of the Company [www.tatachemicals.com](http://www.tatachemicals.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of results by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's shares are listed viz. BSE Limited and the National Stock Exchange of India Limited. The results shall also be displayed on the notice board at the Registered Office of the Company.
- XV. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM i.e. Thursday, 11th August, 2016.

**By Order of the Board of Directors**

**Rajiv Chandan**  
**General Counsel & Company Secretary**

Mumbai, 26th May, 2016

**Registered Office:**

Bombay House  
 24, Homi Mody Street, Fort  
 Mumbai 400 001

CIN:- L24239MH1939PLC002893

Email:-[investors@tatachemicals.com](mailto:investors@tatachemicals.com)

Website:- [www.tatachemicals.com](http://www.tatachemicals.com)

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

**Pursuant to Section 102 of the Companies Act, 2013 ('the Act'), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 8 of the accompanying Notice dated 26th May, 2016:**

### Item No. 5

This explanatory statement is provided as per Section 102 of the Act, though strictly not required.

Deloitte Haskins & Sells LLP (ICAI Firm Registration No. 117366W/W-100018), Chartered Accountants, Mumbai were appointed as the statutory auditors of the Company for a period of three years at the Annual General Meeting (AGM) of the Company held on 21st August, 2014 to hold office from the conclusion of Seventy Fifth AGM till the conclusion of Seventy Eighth AGM to be held in 2017.

As per the provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by members at every AGM.

Accordingly, ratification by the members is being sought for the proposal contained in the Resolution set out at Item No. 5 of the Notice.

The Board commends the resolution set out at Item No. 5 of the accompanying Notice for the approval of the members of the Company by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP is concerned or interested in the Resolution at Item No. 5 of the accompanying Notice.

### Item No. 6

The Board of Directors on the recommendation of Nomination and Remuneration Committee appointed Mr. Bhaskar Bhat as an Additional Director of the Company with effect from 20th October, 2015.

Pursuant to Section 161(1) of the Act, Mr. Bhaskar Bhat holds office upto the date of the forthcoming AGM and is eligible for appointment as a Director in the category of Non-executive Non-Independent Director. A notice under the provision of Section 160(1) of the Act, along with the requisite deposit has been received from a member signifying his intention to propose the candidature of Mr. Bhaskar Bhat as a Director of the Company, liable to retire by rotation.

Mr. Bhat has a B. Tech degree in Mechanical Engineering from IIT Madras and a Post Graduate Diploma in Management from IIM, Ahmedabad.

Mr. Bhat possesses an extensive experience and expertise in sales and marketing. He started his career as a management trainee with

Godrej & Boyce Manufacturing Company. In 1983, he joined the Tata Watch Project (initiated at Tata Press) and has since been associated with the company which later became Titan Watches, and now Titan Company Limited of which he is the Managing Director.

Mr. Bhat is also a member of the governing council at the TA Pai Management Institute, Manipal, and the SDM Institute of Management and Development, Mysore. He was awarded the Distinguished Alumnus Award of IIT Madras in 2008.

Having regard to the qualifications, experience and knowledge, his appointment as a Director on the Board will be in the interest of the Company. The Board commends the resolution set out at Item No. 6 of the accompanying Notice for the approval of the members of the Company by way of an Ordinary Resolution.

Mr. Bhat does not hold any share in the Company either directly or through any other person. He is not related to any other Director or KMP of the Company.

Except Mr. Bhat, none of the other Directors or KMP or relatives of Directors and KMP is concerned or interested in the Resolution at Item No. 6 of the accompanying Notice.

### Item No. 7

The Board of Directors on the recommendation of Nomination and Remuneration Committee appointed Dr. Nirmalya Kumar as an Additional Director of the Company with effect from 26th May, 2016.

Pursuant to Section 161(1) of the Act, Dr. Nirmalya Kumar holds office upto the date of the forthcoming AGM and is eligible for appointment as a Director in the category of Non-executive Non-Independent Director. A notice under the provision of Section 160(1) of the Act, along with the requisite deposit has been received from a member signifying his intention to propose the candidature of Dr. Nirmalya Kumar as a Director of the Company, liable to retire by rotation.

Dr. Kumar is a member of the Group Executive Council of Tata Sons Limited and is responsible for strategy at the group level. Dr. Nirmalya Kumar was a Professor of Marketing and Director of Aditya Birla India Centre at the London Business School. He has previously taught at Harvard Business School, IMD (Switzerland) and Northwestern University (Kellogg School of Management).

Dr. Kumar has worked with more than 50 Fortune 500 companies in 60 different countries. He has served on several boards. Dr. Kumar is one of the world's leading thinkers on strategy and marketing and was included in Thinkers50 (the biannual listing of the top 50 management thinkers in the world) and received their "Global Village

## NOTICE

Award" for the person who contributed the most to the business community's understanding of globalisation and the new frontiers established by emerging markets. He is also included in 50 Best B-School Professors (Poets & Quants) and 50 Most influential Business School Professors. He is a prolific writer and has written books and published articles in leading journals.

Dr. Kumar received his Bachelor in Commerce degree from Calcutta University, his Master in Business Administration degree from the University of Illinois at Chicago and his Doctoral degree in Marketing from the Kellogg School of Management, Northwestern University.

Having regard to the qualifications, experience and knowledge, his appointment as a Director on the Board will be in the interest of the Company. The Board commends the resolution set out at Item No. 7 of the accompanying Notice for the approval of the members of the Company by way of an Ordinary Resolution.

Dr. Kumar does not hold any share in the Company either directly or through any other person. He is not related to any other Director or KMP of the Company.

Except Dr. Kumar, none of the other Directors or KMP or relatives of Directors and KMP is concerned or interested in the Resolution at Item No. 7 of the accompanying Notice.

**Item No. 8**

The Company is directed under the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 ('the Rules') to have the audit of its cost records conducted by a cost accountant in practice.

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2017 as per the following details:

Sr. No.	Name of the Cost Auditors	Audit Fees
1.	M/s. N. I. Mehta & Co; Cost Accountants	₹ 9,00,000
2.	M/s. Ramanath Iyer & Co; Cost Accountants	₹ 1,20,000

In accordance with the provisions of Section 148 of the Act read with the Rules, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is being sought for the proposal contained in the resolution set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2017.

The Board commends the resolution set out at Item No. 8 of the accompanying Notice for the approval of the members of the Company by way of an Ordinary Resolution.

None of the Directors or KMP or relatives of Directors and KMP is concerned or interested in the Resolution at Item No. 8 of the accompanying Notice.

**By Order of the Board of Directors**

**Rajiv Chandan**  
General Counsel & Company Secretary

Mumbai, 26th May, 2016

**Registered Office:**

Bombay House  
24, Homi Mody Street, Fort  
Mumbai 400 001  
CIN:- L24239MH1939PLC002893  
Email:-investors@tatachemicals.com  
Website:- www.tatachemicals.com

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AT THE AGM PURSUANT TO REGULATIONS 26(4) AND 36(3) OF LISTING REGULATIONS AND SECRETARIAL STANDARDS – 2 ON GENERAL MEETINGS :**

Name of the Director	Mr. R. Mukundan	Mr. Bhaskar Bhat	Dr. Nirmalya Kumar
DIN	00778253	00148778	00364637
Date of Birth	19th September, 1966	29th August, 1954	8th March, 1960
Age	49 years	61 years	56 years
Date of first appointment	26th November, 2008	20th October, 2015	26th May, 2016
Qualifications	BE (Electrical Engineering) from IIT, Roorkee; MBA from FMS, Delhi University; Advanced Management Programme at Harvard Business School	B Tech Degree in Mechanical Engineering from IIT, Madras; Post Graduate Diploma in Management from IIM, Ahmedabad	Bachelor in Commerce degree from Calcutta University, Master in Business Administration degree from the University of Illinois at Chicago, Doctoral degree in Marketing from the Kellogg School of Management Northwestern University
Expertise in specific functional areas	Mr. Mukundan has wide experience in the field of strategy, operations and general management	Mr. Bhat has extensive experience and expertise in sales and marketing. He is the Managing Director of Titan Company Limited since April 2002. At Titan, Mr. Bhat has dealt with Sales & Marketing, HR, international business and various general managerial assignments	Dr. Kumar has wide experience in marketing and strategy. Dr. Kumar is one of the world's leading thinkers on strategy and marketing. He is responsible for strategy at the Tata group level
Terms and conditions of appointment or reappointment	Appointed for a period of 5 years upto 25th November, 2018	Refer Item No. 6 of the Notice	Refer Item No. 7 of the Notice
Details of remuneration last drawn (FY 2015-16) <sup>^</sup>	₹ 4.46 crore	₹ 12 lac	NA
Directorships in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	<ul style="list-style-type: none"> <li>• Rallis India Limited*</li> <li>• Tata International Limited</li> <li>• Metahelix Life Sciences Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Titan Time Products Limited</li> <li>• Titan Company Limited (Managing Director)*</li> <li>• Trent Limited*</li> <li>• Bosch Limited*</li> <li>• Tata Ceramics Limited</li> <li>• Titan Engineering &amp; Automation Limited</li> <li>• Rallis India Limited*</li> <li>• Tata SIA Airlines Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Tata Industries Limited</li> <li>• Tata Unistore Limited</li> <li>• Tata Capital Limited</li> </ul>
Membership of Committees/ Chairmanship in other Public Limited Companies	<ul style="list-style-type: none"> <li>• Rallis India Limited* <ul style="list-style-type: none"> <li>- Executive Committee of the Board (Member)</li> </ul> </li> <li>• Tata International Limited <ul style="list-style-type: none"> <li>- Corporate Social Responsibility Committee (Member)</li> </ul> </li> <li>• Metahelix Life Sciences Limited <ul style="list-style-type: none"> <li>- Nomination and Remuneration Committee (Member)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Titan Company Limited* <ul style="list-style-type: none"> <li>- Stakeholders Relationship Committee (Member)</li> <li>- Corporate Social Responsibility Committee (Member)</li> <li>- Risk Management Committee (Member)</li> <li>- Board Ethics Committee (Member)</li> </ul> </li> <li>• Bosch Limited* <ul style="list-style-type: none"> <li>- Audit Committee (Member)</li> <li>- Nomination and Remuneration Committee (Member)</li> <li>- Corporate Social Responsibility Committee (Member)</li> <li>- Share Transfer Committee (Member)</li> </ul> </li> <li>• Trent Limited* <ul style="list-style-type: none"> <li>- Nomination and Remuneration Committee (Member)</li> <li>- Corporate Social Responsibility Committee (Member)</li> <li>- Executive Committee (Member)</li> </ul> </li> <li>• Tata Ceramics Limited <ul style="list-style-type: none"> <li>- Nomination and Remuneration Committee (Member)</li> </ul> </li> <li>• Rallis India Limited* <ul style="list-style-type: none"> <li>- Executive Committee of the Board (Member)</li> <li>- Nomination and Remuneration Committee (Member)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Tata Industries Limited <ul style="list-style-type: none"> <li>- Audit Committee (Member)</li> </ul> </li> <li>• Tata Unistore Limited <ul style="list-style-type: none"> <li>- Nomination and Remuneration Committee (Member)</li> </ul> </li> </ul>
No. of Board meetings attended during the year	8	4	NA
No. of shares held:			
(a) Own	500	NIL	NIL
(b) For other persons on a beneficial basis	NIL	NIL	NIL

<sup>^</sup> Includes commission for FY 2015-16 to be payable in FY 2016-17

\* Listed Entity

**NOTICE**

**To,**  
 TSR Darashaw Limited  
**Unit: Tata Chemicals Limited**  
 6-10 Haji Moosa Patrawala Industrial Estate,  
 20 Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011

**Updation of Shareholder Information**

**I / We request you to record the following information against my / our Folio No.:**

**General Information:**

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN / Registration No.: * (applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

\*Self attested copy of the document(s) enclosed

**Bank Details:**

IFSC: (11 digit)	
MICR: (9 digit)	
Bank A/c Type:	
Bank A/c No.: @	
Name of the Bank:	
Bank Branch Address:	

@ A blank cancelled cheque is enclosed to enable verification of bank details

I / We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I / we would not hold the Company / RTA responsible. I / We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I / We understand that the above details shall be maintained till I / we hold the securities under the above mentioned Folio No./ beneficiary account.

Place:

Date:

\_\_\_\_\_  
 Signature of Sole / First holder

# FINANCIAL STATISTICS - STANDALONE

Year	CAPITAL ACCOUNTS										REVENUE ACCOUNTS																					
	Share Capital		Reserves		Borrowings		Capital Employed		Gross Block		Depreciation		Net Block		Gross revenue		Expenses		Profit before taxes		Taxes		Distributable profit for the year		Dividends (including Dividend Tax)		Earnings per Ordinary share (Basic)		Dividend per Ordinary share		Net worth per Ordinary Share	
	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹ in lac	₹	₹	₹	₹		
1944-45	152	8	69	229	186	7	179							16	29															8.11		
1945-50	152	10	126	288	240	17	223							116	107	9														7.83		
1954-55	192	24	86	302	315	105	210							223	191	18	14													10.80		
1959-60	312	64	325	701	708	207	501							351	303	21	27	1	12	19(b)										11.68		
1964-65	362	220	281	863	1086	443	643							876	649	72	155	63	80	53										15.52		
1974-75	994	906	1189	3089	3765	1375	2390							3464	2652	201	611	250	309	154										18.06		
1979-80	994	2036	2848	5878	7480	3048	4432							5860	4421	513	926	364	434	191										31.80		
1984-85	1594	6705	11987	20286	17032	7317	9715							13570	10429	968	2173	450	1204	352										53.70		
1989-90	4917	25926	34129	64972	35310	14017	21293							30902	23172	2056	5674	1600	3612	1475										62.73		
1990-91	7375	26070	58398	91843	49989	16047	33942							35202	27354	2403	5445	1000	3945	1844										45.35		
1991-92	7375	29831	62262	99468	69797	18618	51179							41204	29580	2650	8974	3000	3974	2212										50.45		
1992-93	9262	41931	95966	147159	119358	21050	98308							48743	34754	2623	11366	3871	6495	2944										54.84		
1993-94	11268	71225	125245	207738	194562	22632	171930							64698	40424	2266	22008	500	16508	6385										73.03		
1994-95	11288	92630	152664	256582	209747	26717	183030							92443	59171	4601	28671	6	23165	7342										92.00		
1995-96	18069	113349	154892	286310	224475	36872	187603							155565	103420	10489	41656	2200	22231	11747										72.72		
1996-97	18070	125449	161606	305125	241799	47837	193962							162813	122372	11409	29032	3800	20487	12916										79.42		
1997-98	18070	141396	152755	312221	260896	59053	201843							166151	121432	11513	33205	4350	28863	12916										88.28		
1998-99	18070	149537	157023	324630	273995	70516	203479							150030	117432	11615	20983	2816	18167	10026										92.73		
1999-00	18070	151240	137023	306313	284488	82244	202244							165882	139190	12347	14345	2616	11729	10026										93.73		
2000-01	18070	176474	114627	309171	281238	92802	188436							173411	141518	13284	18609	2114	16495	9953										105.36		
2001-02	18070	137066	106071	307638	285989	104522	181467							151605	118278	13321	20006	7324	12682	9032										84.35		
2002-03	18070	145516	81626	289288	283490	115049	168441							170483	130588	13693	26202	6544	19658	11208										89.81		
2003-04	21516(c)	182018	76554	324291	307025	132880	174145							272984	225961	14415	32608	10555	22053	13347										94.48		
2004-05	21516	178268	132422	367544	311790	155551	156239							322515	263451	13770	45294	11239	34055	15973										92.80		
2005-06	21516	195254	145449	394514	322899	167802	155097							373461	308481	13893	51087	15784	35303	17169										100.45		
2006-07	21516	217768	104177	372583	332657	181183	151474							426923	348504	15093	63384	18963	44421	20133										111.07		
2007-08	23406	333762	234384	619375	346082	194824	151258							484819	354233	14876	115710	20792	94918	24715										152.64		
2008-09	23523	362407	367610	763842	390176	205801	184375							872402	790072	16303	66027	20822	45205	24762										164.11		
2009-10	24332	403364	294651	741969	404115	221106	183009							576975	499443	18719	58813	15335	43478	25529										176.07		
2010-11	25482	448586	297594@	771822	428661#	235898	192763							656776	580460	20446	55870	15021	40849	29355										186.09		
2011-12	25482	468069	336709@	839127	457136#	249032	208104							846375	747472	22468	76435	17775	58660	29277										193.73		
2012-13	25482	505250	371640@	914847	473332#	267348	205984							897412	793447	21429	82536	18205	64331	29446										208.33		
2013-14	25482	544641	303469@	895153	489918#	286205	203713							911890	839120	15882	56888	13281	43607	29574											223.79	
2014-15	25482	578845	271588@	895038	505548#	306019	197529							1053087	948407	19271	85409	21612	63797	38202											237.22	
2015-16	25482	613940	304275@	960270	525015#	322529	202486							1106389	1007422	18775	80192	20734	59458	29995											250.99	

Note: (a) Including arrears of dividends on preference shares; (b) Including interest paid out of capital on ordinary shares; (c) Includes the balance lying in share capital suspense account amounting to ₹ 3,446 lac.

\* annualised.

@ From year ended 31st March, 2011 onwards borrowings include long-term borrowings + short-term borrowings + current maturity of debt

# From year ended 31st March, 2011 onwards gross block includes capital work-in-progress + capital advances









## TATA CHEMICALS LIMITED

Corporate Identity Number (CIN) - L24239MH1939PLC002893

Registered Office: Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001

Tel. No: +91 22 6665 8282 Fax No: +91 22 6665 8144

Email address: investors@tatachemicals.com Website: www.tatachemicals.com

### ATTENDANCE SLIP

**77th ANNUAL GENERAL MEETING ON THURSDAY, 11TH AUGUST, 2016 AT 3.00 P.M.**

at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020.

Folio No.:	DP ID No.:	Client ID No.:
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I / We hereby record my/our presence at the SEVENTY SEVENTH ANNUAL GENERAL MEETING of the Company at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020, at 3.00 p.m. on Thursday, 11th August, 2016.

Name of the Member _____	Signature _____
Name of the Proxyholder _____	Signature _____

- Notes:**
1. Only Member/Proxyholder can attend the Meeting.
  2. Please complete the Folio No./DP ID No., Client ID No. and name of the Member/Proxyholder, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.
  3. A Member/Proxyholder attending the meeting should bring copy of the Annual Report for reference at the meeting.



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### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s) : \_\_\_\_\_

Registered address : \_\_\_\_\_

E-mail Id : \_\_\_\_\_

Folio No. / Client ID No. : \_\_\_\_\_ DP ID No.: \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ Shares of Tata Chemicals Limited, hereby appoint:

1. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_ Or failing him/her;

2. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_ Or failing him/her;

3. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
Signature: \_\_\_\_\_

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the SEVENTY SEVENTH ANNUAL GENERAL MEETING of the Company to be held on Thursday, 11th August, 2016 at 3.00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine lines, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

## ROUTE MAP TO THE AGM VENUE

**Venue:** Birla Matoshri Sabhagar, 19, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai 400 020. **Landmark:** Next to Bombay Hospital



Sr. No.	Resolutions
<b>Ordinary Business</b>	
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016 together with the Reports of the Board of Directors and Auditors thereon
2.	To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2016 together with the Report of the Auditors thereon
3.	To declare dividend on Ordinary Shares for the financial year ended 31st March, 2016
4.	Re-appointment of Mr. R Mukundan, who retires by rotation
5.	Ratification of Statutory Auditor's appointment
<b>Special Business</b>	
6.	Appointment of Mr. Bhaskar Bhat as a Director
7.	Appointment of Dr. Nirmalya Kumar as a Director
8.	Ratification of remuneration of Cost Auditors

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Affix  
Revenue  
Stamp

Signature of the member \_\_\_\_\_ Signature of Proxyholder(s) \_\_\_\_\_

Note: 1. **This Form in order to be effective should be duly filled, stamped, signed and deposited at the Registered Office of the Company at Bombay House, 24, Homi Mody Street, Fort, Mumbai 400 001, not less than 48 hours before the commencement of the Meeting.**

2. A proxy need not be a member of the Company.

3. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the SEVENTY SEVENTH ANNUAL GENERAL MEETING of the Company.



**Okhai-Centre for Empowerment**, supports handicrafts and works for the empowerment of women artisans.



**Marine Turtle Conservation and Whale Shark Project** - successful biodiversity projects at Tata Chemicals.



**TATA CHEMICALS**

**Registered Office**

Bombay House, 24, Homi Mody Street, Fort,  
Mumbai - 400001 India.

CIN:L24239MH1939PLC002893

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[www.twitter.com/TataChemicals](https://www.twitter.com/TataChemicals)

[www.okhai.org](http://www.okhai.org)

**In keeping with our sustainability approach, this  
annual report has been printed on ecofriendly paper.**